

**Regular Board Meeting**  
Teton County Old Library  
Old Library  
320 S. King, Jackson WY

January 2, 2019  
2:00 PM



1. Call to Order
2. Pronouncement of Quorum
3. Public Comment
4. Executive Session to Discuss Real Estate
5. Approval of Regular Meeting Minutes for December 10, 2018
6. Review of November Financials & Staff Update
7. Grove Phase 1 Budget
8. 260 W Broadway Ste A and Ste D Lease Renewal
9. Grove Phase 1 Former Tenants: No Response to Invoice.
10. 4307 Sage Meadows Drive – Purchase of Sunset Clause
11. Redmond Street Rentals Ground Lease Addendum
12. Healing Waters Update
13. Melody Ranch Townhome Discussion
14. Matters from Staff
15. Matters from Board
16. Adjourn

Jackson/Teton County Housing Authority  
Regular Meeting  
December 10, 2018  
Teton County Old Library

The regular meeting of the Jackson/Teton County Housing Authority Board was called to Order on December 10, 2018 at 2:00 p.m. in the Conference Room of the Teton County Old Library building at 320 S. King Street, Jackson, Wyoming. Attendees were Matt Faupel, Danielle Goldyn-Haigh, Amy Robinson, Stacy Stoker, Keith Gingery, April Norton, and Julia Johari.

**Pronouncement of Quorum**

Board Chair, Matt Faupel and Clerk, Danielle Goldyn-Haigh, and Vice Chair, Amy Robinson were present. Housing Authority Board Chair, Matt Faupel declared a quorum. A change to the agenda was requested moving item 12b - Healing Waters Remodel Request for Approval to be discussed after item 4 - Approval of Regular Meeting Minutes. A decision was made to move item 12a and 12b up as they both pertain to Healing Waters.

**Public Comment**

No public comment was made.

**Approval of Minutes for November 7, 2018**

Amy Robinson moved, and Matt Faupel seconded for approval of the minutes. The motion passed unanimously.

**Review of October Financials & Staff Update:**

**Qualified Mortgages**

Discussion was held concerning Qualified Mortgages. There is no mechanism to check whether owners have a 2<sup>nd</sup> unqualified mortgage. Restrictions require bank notifications when payments are late, but banks often don't send notifications. Further discussion was held on weighing the tightness of restrictions vs. banks being willing to loan money and the elected officials' prior decision to allow deed restrictions to expire with foreclosures. Discussion continued about distinguishing between a 1<sup>st</sup> and 2<sup>nd</sup> mortgage, and not allowing a 2<sup>nd</sup> mortgage to be valued. More discussion continued concerning how a qualified mortgage should not exceed the restricted value. No action was taken.

**Employment Based Requalifications**

The Board discussed ARU compliance and the ability to enforce if there is no restriction on them.

**Grove Phase 1 Budget Update**

The Grove Phase 1 budget is currently in the red. There was discussion about the facilities building management process, and using an outside contractor to give an approximate building lifespan estimate. Maintenance is included in the budget, but there are no reserves budgeted for the Grove Phase 1 multi-family building for large capital projects such as roof replacement. Staff is working with

facilities to have a company go through the building to give us a maintenance and replacement schedule.

#### Order Appointing Hearing Officer

Keith Gingery explained the Order Appointing a Hearing Officer. Danielle Goldyn-Haigh moved to approve the Order Appointing Hearing Officer, officially appointing Melissa Owens as Hearing Officer for the Barnes Hearing. Amy Robinson seconded. The motion passed unanimously.

#### Matters From Staff:

##### a. Healing Waters Update

Healing Waters still owes about \$190. Keith Gingery reviewed the history of the electrical and water methods for billing. Keith agreed to send a Notice of Violation. If that is not met, he will send a Notice of Default. If that is not met, he will send a Notice of Eviction.

##### b. Amended and Restated Restriction for Sage Meadows Unit 9

Amy Robinson moved to approve the Complete Amendment and Restatement Special Restrictions for Affordable Ownership Housing located at Lot 9 of the Sage Meadows Subdivision in Teton County, Wyoming as presented. Danielle Goldyn-Haigh seconded. The motion was unanimously approved.

##### c. Appointment of Stacy Stoker as the Entity Administrator in the System for Award Management

Amy Robinson moved to appoint Stacy Stoker, Housing Manager, as the Entity Administrator in the System for Award Manager. Danielle Goldyn-Haigh seconded. The motion was unanimously approved.

##### d. December 18 Modena Appeal Hearing

Discussion on the proposed appeals and situation regarding the failing roofs. Keith explained that the Modena Appeal was dismissed without prejudice. The time of the appeal hearing was kept, and replaced with a special meeting with the HAB, HOA and effected owners to hear concerns and further discuss the issue. This will be held December 18 at 1:00 in the Public Health Board Room.

#### Matters from Board

There was general discussion regarding the upcoming hearing. No action was taken.

#### Redmond Street Rentals

There is a joint Town/County meeting on 12/20/18 to finalize the addendum to the ground leases for that project, memorialize the project percentages. After the debt is retired, the revenue will be shared. The council will determine how the project percentages will be determined, then direct and authorize the HAB to sign off on the decision made. There was a general discussion regarding the upcoming meeting. No action was taken.

#### Adjourn

Amy Robinson moved to adjourn. Matt Faupel seconded. The motion passed unanimously.

Respectfully Submitted:

Danielle Goldyn-Haigh, Clerk

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Approved by the Board of Housing Authority Commissioners as evidenced by their signatures below:

Matt Faupel  
Chair

Date\_\_\_\_\_

\_\_\_\_\_

Amy Robinson  
Vice Chair

Date\_\_\_\_\_

\_\_\_\_\_

Danielle Goldyn-Haigh  
Clerk

Date\_\_\_\_\_

\_\_\_\_\_

## JACKSON/TETON COUNTY HOUSING AUTHORITY

**Balance Sheet**

As of November 30, 2018

	Nov 30, 18	Oct 31, 18	\$ Change
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
FIB - Administration	160,335.36	152,931.68	7,403.68
FIB - Millward Ground Lease	127,391.01	125,874.13	1,516.88
Total Checking/Savings	287,726.37	278,805.81	8,920.56
Accounts Receivable			
Ground Lease Receivables	2,182.78	3,459.27	(1,276.49)
Total Accounts Receivable	2,182.78	3,459.27	(1,276.49)
Other Current Assets			
Accounts Receivable	120,704.87	120,704.87	0.00
Total Other Current Assets	120,704.87	120,704.87	0.00
Total Current Assets	410,614.02	402,969.95	7,644.07
Fixed Assets			
Buildings & Improvements			
260 West Broadway	1,391,040.08	1,391,040.08	0.00
Accumulated Depreciation	(501,377.70)	(501,377.70)	0.00
The Grove Phase I	6,776,024.29	6,776,024.29	0.00
Total Buildings & Improvements	7,665,686.67	7,665,686.67	0.00
Furniture, Fixtures & Equipment	22,024.69	22,024.69	0.00
Land & Projects			
575 East Hall Avenue	1,159,017.60	1,159,017.60	0.00
Hall Street	2,565,214.22	2,565,214.22	0.00
Millward Neighborhood	1,412,795.50	1,412,795.50	0.00
Mountain View Meadows	450,000.00	450,000.00	0.00
Rains Property	2,002,815.01	2,002,815.01	0.00
The Grove	3,385,000.00	3,385,000.00	0.00
Wilson Meadows	353,080.00	353,080.00	0.00
Total Land & Projects	11,327,922.33	11,327,922.33	0.00
Total Fixed Assets	19,015,633.69	19,015,633.69	0.00
Other Assets			
Allowance for Doubtful Accounts	(273,481.00)	(273,481.00)	0.00
CIP - 575 East Hall Avenue	791,912.40	791,912.40	0.00
CIP - The Grove Phase III	53,004.39	53,004.39	0.00
Snow King Apts. Int. Receivable	3,481.00	3,481.00	0.00
Snow King Apts. Note Receivable	270,000.00	270,000.00	0.00
Total Other Assets	844,916.79	844,916.79	0.00
<b>TOTAL ASSETS</b>	<b>20,271,164.50</b>	<b>20,263,520.43</b>	<b>7,644.07</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	4,056.38	3,552.80	503.58
Total Accounts Payable	4,056.38	3,552.80	503.58
Other Current Liabilities			
Current Portion of LTD	112,000.00	112,000.00	0.00
Payroll Liabilities			
Compensated Absences	7,500.85	7,500.85	0.00
Total Payroll Liabilities	7,500.85	7,500.85	0.00

## JACKSON/TETON COUNTY HOUSING AUTHORITY

**Balance Sheet**

As of November 30, 2018

	Nov 30, 18	Oct 31, 18	\$ Change
Security Deposits	50,528.58	47,778.58	2,750.00
Total Other Current Liabilities	170,029.43	167,279.43	2,750.00
Total Current Liabilities	174,085.81	170,832.23	3,253.58
Long Term Liabilities			
Current Portion of LT Debt	(112,000.00)	(112,000.00)	0.00
Net Pension Liability	78,453.00	78,453.00	0.00
Net Pension Liability - DIR	114,418.00	114,418.00	0.00
Net Pension Liability - DOR	(14,513.00)	(14,513.00)	0.00
Note Payable - FIB(6348)	2,684,842.37	2,694,281.27	(9,438.90)
Total Long Term Liabilities	2,751,200.37	2,760,639.27	(9,438.90)
Total Liabilities	2,925,286.18	2,931,471.50	(6,185.32)
Equity			
Retained Earnings	17,266,894.16	17,266,894.16	0.00
Net Income	78,984.16	65,154.77	13,829.39
Total Equity	17,345,878.32	17,332,048.93	13,829.39
TOTAL LIABILITIES & EQUITY	20,271,164.50	20,263,520.43	7,644.07

## JACKSON/TETON COUNTY HOUSING AUTHORITY

## Profit &amp; Loss by Class

November 2018

	Broadway	Hall	Millward	The Grove	Wilson Meadows	Wilson Park	TOTAL
Ordinary Income/Expense							
Income							
Rent Income	19,161.25	0.00	1,490.00	30,133.48	0.00	0.00	50,784.73
Total Income	19,161.25	0.00	1,490.00	30,133.48	0.00	0.00	50,784.73
Gross Profit	19,161.25	0.00	1,490.00	30,133.48	0.00	0.00	50,784.73
Expense							
Insurance	(206.95)	0.00	0.00	0.00	0.00	0.00	(206.95)
Management Fees	0.00	0.00	0.00	2,621.75	0.00	0.00	2,621.75
Professional Fees	912.44	5.79	72.67	1,540.37	7.94	5.79	2,545.00
Rent(Ground Lease Fee)	12,746.90	0.00	0.00	0.00	0.00	0.00	12,746.90
Repairs & Maintenance	1,683.50	0.00	0.00	4,082.71	0.00	0.00	5,766.21
Taxes & Licenses	(156.09)	0.00	0.00	0.00	0.00	0.00	(156.09)
Telephone	0.00	0.00	0.00	133.72	0.00	0.00	133.72
Utilities	439.15	0.00	0.00	2,125.06	0.00	0.00	2,564.21
Total Expense	15,418.95	5.79	72.67	10,503.61	7.94	5.79	26,014.75
Net Ordinary Income	3,742.30	(5.79)	1,417.33	19,629.87	(7.94)	(5.79)	24,769.98
Other Income/Expense							
Other Income							
Interest Income	18.81	0.00	14.55	0.00	0.00	0.00	33.36
Total Other Income	18.81	0.00	14.55	0.00	0.00	0.00	33.36
Other Expense							
Interest Expense	0.00	0.00	0.00	10,973.95	0.00	0.00	10,973.95
Total Other Expense	0.00	0.00	0.00	10,973.95	0.00	0.00	10,973.95
Net Other Income	18.81	0.00	14.55	(10,973.95)	0.00	0.00	(10,940.59)
Net Income	3,761.11	(5.79)	1,431.88	8,655.92	(7.94)	(5.79)	13,829.39

## JACKSON/TETON COUNTY HOUSING AUTHORITY

## Profit &amp; Loss by Class

July through November 2018

	Administration	Broadway	Hall	Millward	The Grove	Wilson Meadows	Wilson Park	TOTAL
Ordinary Income/Expense								
Income								
Rent Income	0.00	95,806.25	750.00	7,675.00	155,415.09	985.00	825.00	261,456.34
Total Income	0.00	95,806.25	750.00	7,675.00	155,415.09	985.00	825.00	261,456.34
Gross Profit	0.00	95,806.25	750.00	7,675.00	155,415.09	985.00	825.00	261,456.34
Expense								
Insurance	0.00	(1,034.75)	0.00	0.00	7,981.00	0.00	0.00	6,946.25
Management Fees	0.00	0.00	0.00	0.00	12,458.50	0.00	0.00	12,458.50
Professional Fees	0.00	6,220.49	41.65	521.66	10,842.43	57.12	41.65	17,725.00
Rent(Ground Lease Fee)	0.00	63,734.50	0.00	0.00	0.00	0.00	0.00	63,734.50
Repairs & Maintenance	0.00	2,683.50	0.00	4,560.00	9,760.75	0.00	0.00	17,004.25
Taxes & Licenses	15.00	(750.45)	0.00	0.00	0.00	0.00	0.00	(735.45)
Telephone	0.00	0.00	0.00	0.00	680.26	0.00	0.00	680.26
Utilities	0.00	1,345.39	0.00	0.00	9,848.59	0.00	0.00	11,193.98
Total Expense	15.00	72,198.68	41.65	5,081.66	51,571.53	57.12	41.65	129,007.29
Net Ordinary Income	(15.00)	23,607.57	708.35	2,593.34	103,843.56	927.88	783.35	132,449.05
Other Income/Expense								
Other Income								
Interest Income	0.00	92.39	0.00	73.90	0.00	0.00	0.00	166.29
Other Income	0.00	0.00	0.00	0.00	200.00	0.00	0.00	200.00
Total Other Income	0.00	92.39	0.00	73.90	200.00	0.00	0.00	366.29
Other Expense								
Interest Expense	0.00	0.00	0.00	0.00	53,831.18	0.00	0.00	53,831.18
Total Other Expense	0.00	0.00	0.00	0.00	53,831.18	0.00	0.00	53,831.18
Net Other Income	0.00	92.39	0.00	73.90	(53,631.18)	0.00	0.00	(53,464.89)
Net Income	(15.00)	23,699.96	708.35	2,667.24	50,212.38	927.88	783.35	78,984.16





MEMO

**TO:** Jackson/Teton County Housing Authority Board  
**FROM:** Housing Department Staff  
**DATE:** January 2, 2019  
**SUBJECT:** Monthly Staff Update

This report provides an updated summary of work done by the Housing Management division of the Housing Department since the December Housing Authority Board meeting.

**Housing Stock Report** – Staff is waiting for budget numbers from the Housing Trust. We hope to get them by the end of the year so we can finally publish this report. It will be an excellent resource!

**How to Sell and How to Buy Booklets** – Staff has received and reviewed the *How to Sell* Booklet, and has sent it back to the graphic designer for revisions. We expect to get the first draft of *How to Buy* very soon.

**Database** – The Housing Department’s database is being updated. Several revisions are being done to help staff with tracking data, running reports, etc. It is also a step in moving toward receiving applications and drawing entries on line.

**Sales** – Year-to-Date Stats, January 1 to November 30:

- 15 homes sold/closed to date
- 6 households (6 homes) under contract
- 1 household (1 home) qualified and ready to go under contract estimated closings 1/29/19
- 3 Grove rental units turned over and new tenants moved in
- Unit 302 Grove rentals, applicant selected, move in December 28<sup>th</sup>
- Two Grove rental units to begin drawing next Wednesday

The chart below shows the stats requested by the Board.

Unit	Bedrooms	Total Applicants	Average Points	Selected Household Points	Status
Unit 21 Homesteads	3	19	6	7 Picked on 5	Closed
Unit 22 Homesteads	3	19	6	9 Picked on 9	Closed
Unit 24 Homesteads	3	20	6	4 Picked on 1	Closed

Unit 25 Homesteads	3	20	6	10 Picked on 9	Closed
Unit 17 Homesteads	3	20	6	11 Picked on 9	Closed
Unit 18 Homesteads	3	20	6	5 Picked on 1	Closed
Golf and Tennis #7	3	11 (No Dogs)	5	2 Picked on 1	Closed
Unit 19 Homesteads	3	14	5	7 entries picked on 1	Closed
Unit 20 Homesteads	3	14	5	10 entries picked on 9	Closed
Grove Unit #304 Rental	2	2	5	7 entries Picked on 3	Move in 12/1
Grove Unit #206 Rental	2	2 (No Dogs)	5	3 entries picked on 3	Moved in 11/21
Unit 23 Homesteads	3	1	1	1	Qualified
Unit 26 Homesteads	3	1	1	1	Qualified
Unit 9 Sage Meadows	2	6	10	4 entries Picked on 1	Closed
Unit 9 Millward	2	9 (No Dogs)	10	4 entries Picked on 1	Closed
Unit 46 Millward	3	9 (No Dogs)	10	10 entries Picked on 1	Qualified
Unit 19 Millward	1	6 (No Dogs)	1	3 entries Picked on 2	Closed
Unit 19 Melody Ranch	2	8	6	10 entries Picked on 1	Qualified
Unit 301 Grove Rental	2	6	10	Picked on 8	Moved in.
Unit 302 Grove Rental	2	6	6	Picked on 5	Moved in.
Unit 101 Grove County Option	3	1	1	1	Closed
Unit 202 Grove	2	5	10	Picked on 9	Lease Pending
Unit 307	1	5	6	Picked on 1	Lease Pending

Drawing stats for two identical 3-bedroom, 2 bath units for income range 80-120% at The Homesteads in Teton Village:

- Sales price: \$313k
- 14 households
- 27 adults, 29 children
- Employment: insurance, construction (carpenter, Teton Top Tile), hospitality (Shooting Star – 2, Calico, Teton Pines, JH Paragliding), education (TCSD – 3, Children’s Learning Center, C – V) JH Aviation, JH Airport – 2, professional service (Hershberger Design, photographer, Dubbe-Moulder), nonprofit (Grand Teton Music Festival), Presbyterian Church, GH20, SJMC, and Emerg-a-care.

Drawing stats for two, 2-bedroom rental units for income range 80-120% at The Grove:

- \$1350/month and \$1400/month
- 2 households
- 4 adults, 2 children
- Employment: Sky West, Community Entry Services, SJMC, Evans Construction, Hertz

Listed below are the families who have been chosen in drawings this year and have either closed or are in the process of purchasing their new home.

- Grant Bishop. Grew up here in Jackson
  - Works for JHMR and Barker Ewing
  - 2-bedroom, 1-bathroom unit (before new occupancy rules)
  - Purchased home in May.
- Justin Moss
  - Works for WYDOT
  - 2-bedroom, 1.5-bathroom unit (before new occupancy rules)
  - Purchased home in May.
- Lily Shipley and Keith Vosmus
  - Keith works for Dave Hansen Whitewater and Lily works for Teton County School District.
  - 2-bedroom, 1.5-bathroom unit (before new occupancy rules)
  - Purchased home in January.
- Vanessa Pratt
  - Works for JJS Design
  - 1 bedroom, 1-bathroom unit
  - Purchased home in January.
- Danielle and Tom Haigh + 1 child
  - Tom works for JHMR, self-employed DJ and Danielle is self-employed (owner Pursue Balance)
  - 2-bedroom, 1-bathroom unit
  - Purchased home in March.
- Julie and Sean Kendall + 2 children
  - Sean works for JHMR and is a fly-fishing guide and Julie works for Allied PRA.
  - 3-bedroom, 2-bathroom unit.
  - Under contract, closing 11/29.
- Anne and Cody McInnes + 1 child + 1 senior dependent.
  - Cody works for JHMR, Anne is a self-employed gardener

- 3-bedroom, 2-bathroom unit.
  - Under contract, closing 11/29
- Matt Carr + 2 children
  - Matt works for the Sheriff's Office.
  - 3-bedroom, 2-bathroom unit. This unit is reserved for the Teton County Sheriff's Office.
  - Under contract, closing 12/17.
- Jesse Nelson and Amanda Youngblood
  - Jesse works for the Sheriff's Office. Amanda works for Teton County School District.
  - 3-bedroom, 2-bathroom unit. This unit is reserved for the Teton County Sheriff's Office.
  - Under contract, closing 12/17.
- Martha and Jan Vorel + 2 children
  - Jan works for WYDOT and is a self-employed engineering consultant. Martha is a self-employed graphic designer.
  - 3-bedroom, 2-bathroom unit.
  - Under contract, closing 11/8.
- Sandro and Nataliia Valdizan + 2 children
  - Sandro works for Snow King as a Sous chef. Nataliia works for Avis/Budget as a sales agent.
  - 3-bedroom, 2-bathroom unit.
  - closed
- Brandon and Sheila Petrunich + 2 children
  - Brandon works at the Wort. Sheila works for Y2.
  - 3-bedroom, 2-bathroom unit
  - closed
- Jason and Karee Jaeger + 3 children
  - Jason works at JHMR. Karee works at SkyWest and is a professional singer
  - 3-bedroom, 2-bathroom unit.
  - closed
- Josh and Nadya Stephens + 2 children
  - Josh works at JH AV. Nadya works at White Glove.
  - 3-bedroom, 2-bathroom unit.
  - closed
- Brian Hultman + 3 children
  - Brain works for Teton County Attorney's office.
  - 3-bedroom, 2-bathroom unit.
  - 12/17 closing
- Tim and Shelby Blankenship + 1 child
  - Tim works Scenic Safaris. Shelby works at SkyWest and Snake River Brewing.
  - 2-bedroom, 1-bathroom unit.
  - 11/20 closing
- Robert and Lynnette Benedict + 2 children
  - Rob works Snow King. Lynnette works at JH Aviation.
  - 2-bedroom, 1.5-bathroom unit.
  - 12/20 closing
- Sonia Susano Hernandez and Arraon Rameriz + 2 children
  - Sonia works at Children's Learning Center. Aaron works at Mountain Top Tile and Tasker Care.

- 3-bedroom, 2-bathroom unit.
  - Closing TBD
- Julia Knowles
  - Julia works at JHMR.
  - 1 bedroom, 1-bathroom unit.
  - Closed 12/14
- KC and Mary Bess + 2 children
  - KC is the General Manager of Mad River and Mary works for JH Wildlife Safaris
  - 2-bedroom, 2-bathroom unit
  - Closing TBD
- Matt and Lindsey Kissel + 2 children
  - Matt works for Hershberger Design and Lindsay works Grand Teton Music Festival.
  - 3-bedroom, 2-bathroom unit.
  - Closing 11/29
- Mike and Amy Bickley + 2 children
  - Mike works for JH Paragliding, & Teton Pines. Amy works at JHMR
  - 3 bed-room, 2-bathroom unit.
  - Closing 11.29

**Grove Phase 2 Warrantees** –This involves installing thresholds on the ground floor back doors to stop water from entering and replacing the floors in 6 of the units that received water damage from leaking of the sliding glass doors on the balconies. The floors have all been replaced. The thresholds have been installed in the first 12 units, and are continuing to be installed in the next 12 this week. The Housing Department has coordinated between the owners and GE Johnson to schedule the repairs. They are ongoing.

**Phase 1 Lease Renewals** – 19 households at the Grove have requalified and their lease renewals were completed. One lease renewal will take place in December. Two Grove tenants were chosen for ownership units, and have moved out. Two additional tenants have had events happen in their lives that have created the need to break their lease. The lease requires them to continue to pay rent until we find new tenants. These units are both 80% - 120% of median income range. Both of these units are now occupied with new tenants.

**Employee Housing Verification** –The owners of these units are required to verify the units are being rented to employees working in Teton County. The Housing Department has met with Planning and Building and both Town and County legal counsel and identified remedies available in the event there is a violation of an employee housing restriction.

- 200 Units - Units with a recorded restriction under Housing Dept. Management
- 6 units in the database that require a restriction (1 Four Seasons; 1 Cody House; 1 Galleries West; 1 Cowboy Village; Bald Eagle)
- Developments missing information or recorded restriction (21 units):
  - 3 Units - Teton Club
  - 2 Units - Hoback Market
  - 3 Units - Aman
  - 6 Units - Lot 11 O Bar B
  - 4 Units - Lot 3 O Bar B
  - 3 Units - Moosecreek

- Developments where there are unit discrepancies in database vs restriction information:
  - JHG&T (currently 2 units in database - approved for 23 persons - +21 beds/+21 max persons)
  - Old West Cabins (currently 7 in database - only 6 are EH - -1 bed/-1 persons)
  - Smiths - (currently listed as a single unit (dorm) in database - 20 units in the dorm to house up to 40 employees - +19 beds/+39 max persons)
  - Albertsons - (16 units at Powderhorn - added 16 units at Webster LaPlant for a total of 32 units - Powderhorn can house up to 45 people - +16 beds/+29 max persons/Webster LaPlant can house 32 persons- +32 beds/+32 max persons)
  - Goosewing Ranch (currently listed as 1 unit (dorm - has 11 units , can house up to 26 employees - +10 beds/+25 max persons)
  - Ranches at Spring Creek (currently listed as 2 units (can house up to 13 persons - +11 beds/+13 persons)
  - Bunkhouse (previously listed for only currently listed as a dorm with 12 units and can house up to 12 persons; 4 bed house and can house up to 8 persons; 2 bed house that can house up to 4 persons - +18 beds/+24 max persons)
- 55 ARU Units
- 5 Employment Based Units
- 52 Units - Pipeline:
  - 25 - SRSC
  - 1 - Brush Buck
  - 5 - Town Hill
  - 12 - Rabbit Row
  - 2 - Huff House
  - 3 - Glenwood/Simpson
  - 1 - Rendezvous Park
  - 3 - 160 E Broadway
- Teton Ventures restriction revision- The Housing Department reviewed the restriction and drafted a letter that authorized an extension to the rental period for up to one (1) year.
- Meadowbrook B9 restriction revision. The Housing Department is reviewing information received on behalf of the owners from their realtor to consider a possible change to the restriction.
- One unit in the Town provided the majority of documents but has requested an employment exemption due to injury/illness of their tenant. The Housing Department has requested reasonable accommodation documentation from the owner in order to consider the request. Two additional units previously referred to the Town Attorney have provided the majority of verification documents (Phillips 66 & Mini Mart). A request has been made to view the units.
- Two restricted units at Raver Condominiums will have the new approved restrictions recorded.

**Sunset Clause Releases** – There are a total of 99 units that have a sunset clause restriction in Housing Department inventory prior to 2017. In 2017, 19 expired. In 2018, 1 expired, 20 more are set to expire in 2019 and 10 are due to expire in 2020. A total of 10 owners have called and requested certificates of release. Eight of those have been recorded with the Clerk's office and two are pending.

**Qualified Mortgages** - The Housing Department has received 2 qualified mortgage request since the last Housing Authority Board Regular Meeting. A total of 13 qualified mortgages have been processed through the Housing Department in 2018.

**Request to Rent/Leave of Absence** - To date, a total of 7 Leave of Absences and/or Requests to Rent have been submitted to the Housing Department. All but one have been approved with an appeal subsequently filed by the Owner. No new Requests to Rent or Leave of Absence has been requested since the last Board meeting.

**Employment Based Requalifications** - On September 17, a total of 53 requalification requests with supporting documents were mailed out to owners of Employment Based homes. The deadline to submit verification documents was October 31, 2018. 22 Households have been requalified and have been sent requalification letters. 4 Households are pending review by the Housing Manager. 10 Households have had a preliminary review and the Housing Department is waiting on additional information. The remaining 17 households are pending preliminary review.

**Online Intake Form** –The Intake Form report has been released. Staff is working with Greenwood Mapping to create reports that are more readily accessible.

**Online Weighted Drawing Form** – The next step in our online services is the online weighted drawing form. The goal of this is to run all of our weighted drawings through an online process. Households will be able to choose to enter a weighted drawing using the information from their Intake Form. They will also have the ability to upload required documents online. This will streamline the process for both customers and staff. Staff has ordered a computer for applicants to use in our office in case they need assistance and/or don't have access to a computer and/or scanner.



MEMO

**TO:** Jackson/Teton County Housing Authority Board  
**FROM:** Stacy Stoker, Housing Manager  
**DATE:** January 2, 2019  
**SUBJECT:** January 2, 2019 Housing Authority Board Agenda

**Item 7. Grove Phase 1 Budget**

The Grove Phase 1 Budget is status quo from the December meeting. Staff has worked with Paul Cote from County Facilities to schedule a company called Dude Solutions to go through the building to provide us a list of maintenance and replacement items with cost etc. so that a reserve account can be created.

**Item 8. 260 W Broadway Ste A and Ste D Lease Renewal**

The lease with the Chamber of Commerce for 260 W. Broadway Ste A and Ste D expires April 30, 2019. The tenant had the option of asking in writing for an automatic five year renewal period if they request it 90 days before the termination of the lease. They have done this. The new lease does not give this option again. The building is for sale, and it has been recommended by our realtor not to give the automatic option to renew in case someone wants to buy the building to use it for their own offices or other commercial use.

**Suggested Motion**

I move to approve the lease renewal with the Chamber of Commerce for an additional five years and approve the lease as presented.

**Item 9. Grove Phase 1 Former Tenants: No Response**

The former tenants of Unit 302 of The Grove had a family emergency and requested to be able to get out of their lease before its termination date. The Housing Authority Board denied this request. The lease states that they will have to continue to pay rent until a lease with a new tenant can be initiated. Their invoice for rent and cleaning/maintenance minus their security deposit is attached. The tenant owes \$2,002.40. The invoice was sent on December 26, 2018. Since they moved out on October 31, 2018 they have not been responding to our attempts to contact them. Staff is looking for direction on how to move forward with collecting these funds.

**Item 10. 4307 Sage Meadows Drive – Purchase of Sunset Clause**

See attached staff report.

**Item 11. Redmond Street Rentals Ground Lease Addendum**

On December 20, 2018, the Town Council and Board of County Commissioners directed and authorized the Jackson/Teton County Housing Authority Board to sign an Addendum to the ground leases for Redmond Street Rentals. The Addendum is attached to this memo and is ready for signatures.



The Addendum serves to memorialize the current Project Percentages for each of the three project partners and to clarify how surpluses, deficits, and future contributions to the Project Percentages will be handled.

### **Suggested Motion**

I move to approve the Addendum to the Ground Lease for Redmond Street Rentals.

### **Item 12. Healing Waters Update**

On December 21, 2018 Healing Waters signed the 2<sup>nd</sup> amendment to their lease making a flat rate of \$304 for electricity and water, which is an average of the last year's bills. Because the second amendment had not been signed, Mountain Property Management has been continuing to bill them for actual usage. At the time this memo is being prepared (12/31/18) they have a balance due of \$195.41. A letter was sent to them by Keith Gingery on December 12, 2018, Notice of Non-Payment of Utilities. The letter states that the offer to move ahead with the Second Amendment will be taken off the table the end of December. The Notice of Non-Payment of Utilities gave the tenants five days to pay the utilities or cause a default. That date was December 17, 2018. No payment was made. A Notice of Default was sent by Keith Gingery via Certified Mail to Healing Waters on December 27, 2018. The Notice of Default is attached to this memo along with the executed lease. They will need to pay the \$195.41 to clear the balance due.

## **COMMERCIAL LEASE AGREEMENT**

THIS LEASE AGREEMENT (the "Lease") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2018, between the Jackson Teton County Housing Authority (the "Landlord") and the Tenant, Jackson Hole Chamber of Commerce, a member-directed, non-profit business association. The term "Building" means the building situated on the real property (the "Property") generally located at 260 W. Broadway, Jackson, Wyoming, 83001. "Premises" means that part of the Building leased to Tenant.

The following schedule (the "Schedule") is an integral part of this Lease. Terms defined in this Schedule shall have the same meaning throughout the Lease.

### **SCHEDULE**

1. Tenant: Jackson Hole Chamber of Commerce, a member-directed, non-profit business association.
2. Premises: 4,263 square feet located in the Building and commonly known as Suite A, and 1,826 square feet located in the Building and commonly known as Suite D
3. Security Deposit: \$5,000.00.
4. Commencement Date: May 1, 2019
5. Termination Date/Term: April 30, 2024
6. Base Rent Commencement Date: [May 1, 2019].
7. Base Rent: \$10,758.34 plus adjustment to Base Rent as defined in Paragraph 2.1.b below per month in the first Lease Year, subject to annual adjustments as set forth below.

### **1. LEASE AGREEMENT.**

1.1. **Lease.** On the terms stated in this Lease, Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, for the Term beginning on the Commencement Date and ending on the Termination Date unless extended or sooner terminated pursuant to this Lease.

### **2. RENT.**

2.1. **Types of Rent.** Tenant shall pay the following Rent, without deduction or offset, in the form of a check to Landlord mailed to the following address: P.O. Box 714 Jackson, WY 83001, or personally delivered to Landlord at its place of business.

a. **Base Rent** in monthly installments in advance, the first monthly installment payable on or before the Commencement Date, and thereafter Base Rent shall be payable on or before the first day of each month of the Term in the amount set forth on the Schedule, as adjusted below.

b. **Adjustment to Base Rent.** Commencing with the first month of the second Lease Year, and annually thereafter, the Base Rent paid during the previous Lease Year shall be increased by a percentage equal to the percentage increase, if any, in the "Consumer Price Index-All Urban Consumer" (CPI-U) during the most recent 12 month period available. The term "Consumer Price Index" as used in this Lease means the Index published by the Bureau of Labor Statistics of the U.S. Department of Labor as applicable to the West Region. In the Event the Bureau of Labor Statistics ceases to publish the CPI-U, or materially changes the method of its computations, the parties agree to accept comparable statistics relative to the purchasing power of the dollar published by the U.S. Government, or if there is no Governmental successor index, authoritative comparable statistics published in a responsible financial periodical. In no case shall the Base Rent be decreased.

c. **Additional Rent** in the amount of all costs, expenses, liabilities, and amounts which Tenant is required to pay under this Lease, excluding Base Rent, but including any interest for late payment of any item of Rent.

d. **Rent** as used in this Lease means Base Rent and Additional Rent. Tenant's agreement to pay Rent is an independent covenant, with no right of setoff, deduction or counterclaim of any kind.

2.2. **Definitions.**

a. "Lease Year" means each consecutive twelve-month period beginning with the Commencement Date.

3. **CONDITION OF PREMISES; POSSESSION AND SURRENDER OF PREMISES.**

3.1. **Condition of Premises.** Landlord is leasing the Premises to Tenant "as is," without any obligation to alter, remodel, improve, repair or decorate any part of the Premises.

3.2. **Tenant's Possession.** Tenant's taking possession of any portion of the Premises shall be conclusive evidence that the Premises were in good order, repair and condition.

3.3. **Maintenance.** Throughout the Term, Tenant shall maintain the Premises in their condition as of the Commencement Date, and at the termination of this Lease or Tenant's right to possession, Tenant shall return the Premises to Landlord in broom-clean condition. To the extent Tenant fails to perform such obligations, Landlord may, but need not, restore the Premises to such condition and Tenant shall pay the cost thereof.

4. **UTILITIES.** Landlord shall pay electric, water, snow removal and maintenance of the parking lot and common areas. Tenant shall be responsible for their electricity, telephone, internet and any other services, including the pro-rata share of the natural gas expense based upon square footage of the space within the building (estimated to be 44.3%).

5. **ALTERATIONS AND REPAIRS.**

5.1. **Landlord's Consent and Conditions.** Tenant shall not make any improvements or alterations to the Premises (the "Work") without in each instance submitting plans and specifications for the Work to Landlord and obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld. Landlord will be deemed to be acting reasonably in withholding its consent for any Work which (a) impacts the base structural components or systems of the Building, (b) impacts any other tenant's premises, or (c) is visible from outside the Premises. Tenant shall pay for the cost of all Work. All Work shall become the property of Landlord upon its installation, except for Tenant's trade fixtures and for items which Landlord requires Tenant to remove at Tenant's cost at the termination of the Lease. Any Work which is approved by Landlord shall be subject to Landlord's requirements in effect at such time.

5.2. **Repair.** Except as provided herein, if any part of the mechanical, structural, electrical or other systems in the Premises shall be damaged, or otherwise fail to properly function, Tenant shall promptly notify Landlord, and Landlord shall repair such damage. Landlord may also at any reasonable time make any repairs or alterations which Landlord deems necessary for the safety or protection of the Premises, or which Landlord is required to make by any court or pursuant to any Governmental Requirement (defined in Paragraph 7). Tenant shall at its expense make all other repairs necessary to keep the Premises, and Tenant's fixtures and personal property, in good order, condition and repair; to the extent Tenant fails to do so, Landlord may make such repairs itself. Landlord shall be responsible solely for repair and maintenance of such equipment caused by a malfunction which is not attributable to Tenant's misuse of such equipment. The cost of any repairs made by Landlord on account of Tenant's default, or on account of the misuse or neglect by Tenant or its invitees, contractors or agents anywhere in the Building or Property shall become Additional Rent payable by Tenant on demand.

5.3. **No Liens.** Tenant has no authority to cause or permit any lien or encumbrance of any kind to affect Landlord's interest in the Building or Land; any such lien or encumbrance shall attach to Tenant's interest only. If any mechanic's lien shall be filed or claim of lien made for work or materials furnished to the Premises by, through or under Tenant, then Tenant shall, at its expense, within ten (10) days thereafter, discharge the lien, or otherwise take such action as Landlord may consent to with respect to the lien. If Tenant does not comply with these requirements, Landlord may discharge the lien or claim, and the amount paid, as well as attorney's fees and other expenses incurred by Landlord, shall become Additional Rent payable by Tenant on demand.

5.4. **Ownership of Improvements.** All Work as defined in this Section 5, partitions, hardware, equipment, machinery and all other improvements and all fixtures, except trade fixtures, constructed in the Premises by either Landlord or Tenant, (i) shall become Landlord's property upon installation without compensation to Tenant, unless Landlord consents otherwise in writing, and (ii) shall at Landlord's option be surrendered to Landlord with the Premises at the termination of the Lease or of Tenant's right to possession.

6. **USE OF PREMISES.** Tenant shall use the Premises only for [Jackson Hole Chamber and Commerce]. Tenant shall not allow any use of the Premises which will negatively affect the cost of coverage of Landlord's insurance for the Property. Tenant shall not allow any inflammable or explosive liquids or materials to be kept on the Premises. Tenant shall not allow any use of the Premises which would cause the value or utility of any part of the Premises or Property to diminish or would interfere with any other tenant or Landlord's operation of the Property. Tenant shall not permit any nuisance or waste upon the Premises, or allow any offensive noise or odor in or around the Premises. Tenant shall maintain all portions of the Premises in a clean and orderly condition, free of dirt, trash, boxes and obstructions, and otherwise in a commercially reasonable state of cleanliness, repair and safety. Such maintenance shall include keeping parking lots and drives free from all equipment, trailers and the like, such areas not to be used for storage or any kind. Tenant shall not commit, or suffer to be committed, any nuisance or other act or thing against public policy, or which may disturb the quiet enjoyment of any other tenant of the Property.

7. **GOVERNMENTAL REQUIREMENTS AND BUILDING RULES.** Tenant shall comply with all applicable governmental laws, ordinances and regulations ("Governmental Requirements") applying to its use of the Premises. Tenant shall also comply with all reasonable rules established for the Premises from time to time by Landlord, provided they do not materially alter the terms of this lease agreement. Failure by another tenant to comply with the rules or failure by Landlord to enforce them shall not relieve Tenant of its obligation to comply with the rules or make Landlord responsible to Tenant in any way. In the event of alterations and repairs performed by Tenant, Tenant shall comply with the provisions of Section 5 of this Lease and also Landlord's then current policies, rules and requirements for construction projects.

8. **WAIVER OF CLAIMS; INDEMNIFICATION; INSURANCE.**

8.1. **Waiver of Claims.** To the extent permitted by law, Tenant waives any claims it may have against Landlord or its officers, manager, members, employees or agents for business interruption, any other consequential or exemplary damages, and any damage to property sustained by Tenant.

8.2. **Indemnification.** Tenant shall indemnify, defend and hold harmless Landlord and its officers, directors, employees and agents against all claims, liabilities, and expenses, including reasonable attorney fees, suffered or claimed by any person, directly or indirectly, based on, arising out of, or resulting from: i) any injury to any person or damage to or loss of any property occurring x) in the Premises, or y) on the Land and arising from the use of the Premises (except to the extent either of the foregoing are caused solely by the gross negligence or willful misconduct of Landlord); ii) any act or omission or negligence of Tenant or any of the Tenant's employees or agents; and iii) any breach or default by Tenant in the performance of its obligations and covenants under this Lease. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

8.3. **Tenant's Insurance.** Tenant shall maintain insurance as follows, with such other terms, coverages and insurers, as Landlord shall reasonably require from time to time:

a. Commercial General Liability Insurance, with (a) contractual liability coverage including the indemnification provisions contained in this Lease, (b) a severability of interest endorsement, (c) limits of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence and not less than Two Million Dollars (\$2,000,000) in the aggregate for bodily injury, sickness or death, and property damage, and umbrella coverage of not less than Two Million Dollars (\$2,000,000).

b. Property Insurance against "All Risks" of physical loss covering the replacement cost of all improvements, fixtures and personal property.

Such insurance shall contain a waiver of subrogation provision in favor of Landlord and its agents.

Tenant's insurance shall be primary and not contributory to that carried by Landlord, its agents, or mortgagee. Landlord, shall be named as additional insureds with respect to the insurance required of the Tenant in Paragraph 8.3(a). The company or companies writing any insurance which Tenant is required to maintain under this Lease, as well as the form of such insurance, shall at all times be subject to Landlord's approval, and any such company shall be licensed to do business in Wyoming. Such insurance companies shall have a current A.M. Best rating of A / VI or better.

Landlord may reevaluate the amounts of insurance set forth above and may adjust such amounts upward (but in no case shall they be adjusted downward) to reflect current market or other conditions.

8.4. **Insurance Certificates.** Tenant shall deliver to Landlord certificates evidencing all required insurance no later than five (5) days prior to the Commencement Date and each renewal date. Each certificate will provide for thirty (30) days prior written notice of cancellation to Landlord and Tenant.

9. **FIRE AND OTHER CASUALTY.**

9.1. **Termination.** If a fire or other casualty causes substantial damage to the Building or the Premises, and insurance proceeds have been made available to Landlord to repair the damage, then Landlord shall engage an architect (or such other professional with expertise in construction methods and timing as Landlord may designate) to provide within one (1) month of the casualty to both Landlord and Tenant the amount of time needed to restore the Building and the Premises to tenantability, using standard working methods. If the time needed exceeds one hundred eighty (180) days from the beginning of the restoration, or if the restoration would begin during the last Lease Year (as it may be extended), and the casualty caused substantial damage to the Premises, either Landlord or Tenant may terminate this Lease by notice to the other party within thirty (30) days after the notifying party's receipt of the architect's certificate. If the time needed exceeds one hundred eighty (180) days from the beginning of the restoration or if the restoration would begin during the last Lease Year (as it may be extended), and the casualty caused substantial damage to the other Property improvements, but did not affect the Premises, then Landlord may terminate this Lease by notice to Tenant within thirty (30) days after Landlord's receipt of the architect's (or other professional's) timing for repair. In the event that insurance proceeds are not made available to Landlord by the insurer or any mortgagee, then Landlord may terminate this Lease, by notice to Tenant within thirty (30) days after Landlord has received notice that the insurance proceeds will not be made available to it. In case of Landlord's termination above, the termination shall be effective thirty (30) days from the date of the notice and Rent shall be paid by Tenant to the termination date, with abatement for any portion of the Premises which has been untenable after the casualty.

9.2. **Restoration.** If a casualty causes damage to the Building or the Premises but this Lease is not terminated for any reason, then subject to the rights of any mortgagees or ground lessors, Landlord shall obtain the applicable insurance proceeds and diligently restore the Building and the Premises subject to current Governmental Requirements to the extent of such proceeds. Tenant shall replace its damaged improvements, personal property and fixtures. Rent shall be abated on a per diem basis during the restoration for any portion of the Premises which is untenable, except to the extent that Tenant's negligence caused the casualty.

10. **EMINENT DOMAIN.** If a part of the Premises or Property is taken by eminent domain or deed in lieu thereof which is so substantial that the Premises cannot reasonably be used by Tenant for the operation of its business, then either party may terminate this Lease effective as of the date of the taking. If any substantial portion of the Property is taken without affecting the Premises, then Landlord may terminate this Lease as of the date of such taking. Rent shall abate from the date of the taking in proportion to any part of the Premises or Property taken. The entire award for a taking of any kind shall be paid to Landlord, and Tenant shall have no right to share in the award. All obligations accrued to the date of the taking shall be performed by the party liable to perform said obligations, as set forth herein.

11. **RIGHTS RESERVED TO LANDLORD.** Landlord may exercise at any time any of the following rights respecting the operation of the Building or Land without liability to the Tenant of any kind:

11.1. **Name.** To change the name or street address of the Building.

11.2. **Signs.** To install and maintain any signs on the exterior of the Building, and to approve, prior to installation, any of Tenant's signs in the Premises visible from the common areas or the exterior of the Building. Notwithstanding the foregoing, all signage (current and future), shall conform with all applicable Governmental Requirements and as approved by applicable governmental authorities, and Landlord's Master Sign Plan, if any.

11.3. **Window Treatments.** To approve, prior to installation, any shades, blinds, ventilators or window treatments of any kind, as well as any lighting within the Premises that may be visible from the exterior of the Building or any interior common area.

11.4. **Keys.** No additional lock or locks shall be placed by Tenant on any door to the Premises, unless written consent of Landlord shall first have been obtained. Eight keys to the Premises have been furnished by Landlord and neither Tenant nor Tenant's agents or employees shall have any duplicate keys made. Landlord shall supply Tenant with such additional keys as Tenant may require at Tenant's sole cost and expense. At the termination of this tenancy, Tenant shall promptly return all keys to Landlord.

11.5. **Access.** To have access to inspect the Premises, and to perform its obligations, or make repairs, alterations, additions or improvements, as permitted by this Lease.

11.6. **Preparation for Reoccupancy.** To decorate, remodel, repair, alter or otherwise prepare the Premises for reoccupancy at any time after Tenant abandons the Premises, without relieving Tenant of any obligation to pay Rent.

11.7. **Show Premises.** To show the Premises to prospective purchasers, tenants, brokers, lenders, investors, rating agencies or others at any reasonable time, provided that Landlord gives prior notice to Tenant and does not materially interfere with Tenant's use of the Premises.

11.8. **Repairs and Alterations.** Subject to Tenant's right of quiet enjoyment, to make repairs or alterations to the Building and in doing so transport any required material through the Premises, to open any ceiling in the Premises, or to temporarily suspend services or use of common areas in the Building or on the Property, Landlord may perform any such repairs or alterations during ordinary business hours, except that Tenant may require any Work in the Premises to be done after business hours if Tenant pays Landlord for overtime and any other expenses incurred. Landlord may do or permit any work on any nearby space, building, land, street, alley or way.

11.9. **Building Services.** To install, use and maintain through the Premises, pipes, conduits, wires and ducts serving the Building, provided that such installation, use and maintenance does not unreasonably interfere with Tenant's use of the Premises.

11.10. **Other Actions.** To take any other action which Landlord deems reasonable in connection with the operation, maintenance or preservation of the Building or the Property, so long as such action does not unreasonably interfere with Tenant's tenancy.

12. **TENANT'S DEFAULT.** Any of the following shall constitute a default by Tenant:

12.1. **Rent Default.** Tenant fails to pay any Rent when due unless the failure is cured within 5 days after notice by Landlord; however, Tenant is not entitled to more than two notices of delinquent payments of Rent during any Lease Year and, if thereafter during that Lease Year any Rent is not paid when due, an event of default shall automatically occur;

12.2. **Specific Default.** Tenant defaults in its obligations under any term of this Lease;

12.3. **Other Performance Default.** Tenant fails to perform any other obligation to Landlord under this Lease, and, in the case of only the first two (2) such failures during the Term of this Lease, this failure continues for ten (10) days after written notice from Landlord, except that if Tenant begins to cure its failure within the ten (10) day period but cannot reasonably complete its cure within such period, then, so long as Tenant continues to diligently attempt to cure its failure, the ten (10) day period shall be extended to sixty (60) days, or such lesser period as is reasonably necessary to complete the cure;

12.4. **Credit Default.** One of the following credit defaults occurs:

a. Tenant commences any proceeding under any law relating to bankruptcy, insolvency, reorganization or relief of debts, or seeks appointment of a receiver, trustee, custodian or other similar official for the Tenant or for any substantial part of its property, or any such proceeding is commenced against Tenant and either remains undismissed for a period of thirty days or results in the entry of an order for relief against Tenant which is not fully stayed within seven days after entry;

b. Tenant or any guarantor becomes insolvent or bankrupt, does not generally pay its debts as they become due, or admits in writing its inability to pay its debts, or makes a general assignment for the benefit of creditors;

c. Any third party obtains a levy or attachment under process of law against Tenant's leasehold interest.

12.5. **Vacation or Abandonment Default.** Tenant vacates or abandons the Premises.

### 13. **LANDLORD REMEDIES.**

13.1. **Termination of Lease or Possession.** If Tenant defaults, Landlord may elect by notice to Tenant either to terminate this Lease or to terminate Tenant's possession of the Premises without terminating this Lease. In either case, Tenant shall immediately vacate the Premises and deliver possession to Landlord, and Landlord may repossess the Premises, change the locks and may, at Tenant's sole cost, remove any of Tenant's signs and any of its other property, without relinquishing its right to receive Rent or any other right against Tenant.

13.2. **Lease Termination Damages.** If Landlord terminates the Lease, Tenant shall pay to Landlord all Rent due on or before the date of termination, plus Landlord's reasonable estimate of the aggregate Rent that would have been payable from the date of termination through the Termination Date, reduced by the rental value of the Premises calculated as of the date of termination for the same period, taking into account anticipated vacancy prior to reletting, reletting expenses and market concessions, both discounted to present value at the rate of five percent (5%) per annum. If Landlord shall relet any part of the Premises for any part of such period before such present value amount shall have been paid by Tenant or finally determined by a court, then the amount of Rent payable pursuant to such reletting (taking into account vacancy prior to reletting and reletting expenses or concessions) shall be deemed to be the reasonable rental value for that portion of the Premises relet during the period of the reletting.

13.3. **Possession Termination Damages.** If Landlord terminates Tenant's right to possession without terminating the Lease and Landlord takes possession of the Premises itself, Landlord may relet any part of the Premises for such Rent, for such time, and upon such terms as Landlord in its sole discretion shall determine, without any obligation to do so prior to renting other vacant areas in the Building. Any proceeds from reletting the Premises shall first be applied to the expenses of reletting, including redecoration, repair, alteration, advertising, brokerage, legal, and other reasonably necessary expenses. If the reletting proceeds after payment of expenses are insufficient to pay the full amount of Rent under this Lease, Tenant shall pay such deficiency to Landlord monthly upon demand as it becomes due. Any excess proceeds shall be retained by Landlord.

13.4. **Late Charges and Interest.** Any sum due from Tenant to Landlord not paid within 10 days of when due shall bear interest from the date due until paid at 1.5% per month, compounded monthly. In addition to the foregoing interest charge, Rent or other amounts owed by Tenant which are not received by Landlord by the 10th day after the date they are due shall be subject to a late charge of 5% of the amount due. Tenant acknowledges that late payments will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which would be impossible or extremely difficult to ascertain. Tenant agrees that the late charges and interest contemplated by this Paragraph represent a fair and reasonable estimate of the costs which Landlord will incur as a result of any such late payments by Tenant. Acceptance of late charges and interest by Landlord shall not constitute a waiver of Tenant's default with respect to any overdue amount, or prevent Landlord from exercising any other rights or remedies under this Lease.

13.5. **Landlord's Remedies Cumulative.** All of Landlord's remedies under this Lease shall be in addition to all other remedies Landlord they may have at law or in equity. Waiver by Landlord of any breach or of any obligation by Tenant shall be effective only if it is in writing, and shall not be deemed a waiver of any other breach, or any subsequent breach of the same obligation. Landlord's acceptance of payment by Tenant shall not constitute

a waiver of any breach by Tenant, and if the acceptance occurs after Landlord's notice to Tenant, or termination of the Lease or of Tenant's right to possession, the acceptance shall not affect such notice or termination. Acceptance of payment by Landlord after commencement of a legal proceeding or final judgment shall not affect such proceeding or judgment. Landlord may advance such monies and take such other actions for Tenant's account as reasonably may be required to cure or mitigate any default by Tenant. Tenant shall immediately reimburse Landlord for any such advance, and such sums shall bear interest at the default interest rate until paid.

13.6. **WAIVER OF TRIAL BY JURY.** EACH PARTY WAIVES TRIAL BY JURY IN THE EVENT OF ANY LEGAL PROCEEDING BROUGHT BY THE OTHER IN CONNECTION WITH THIS LEASE. EACH PARTY SHALL BRING ANY ACTION AGAINST THE OTHER IN CONNECTION WITH THIS LEASE IN A FEDERAL OR STATE COURT LOCATED IN WYOMING, CONSENTS TO THE JURISDICTION OF SUCH COURTS, AND WAIVES ANY RIGHT TO HAVE ANY PROCEEDING TRANSFERRED FROM SUCH COURTS ON THE GROUND OF IMPROPER VENUE OR INCONVENIENT FORUM.

13.7. **Litigation Costs.** Tenant shall pay Landlord's reasonable attorneys' fees and other costs in enforcing this Lease, whether or not suit is filed.

14. **SURRENDER.** Upon termination of this Lease or Tenant's right to possession, Tenant shall return the Premises to Landlord in good order and condition, ordinary wear and casualty damage excepted. If Landlord requires Tenant to remove any alterations, then Tenant shall remove the alterations in a good and workmanlike manner and restore the Premises to its condition prior to their installation.

15. **HOLDOVER.** Tenant shall have no right to holdover possession of the Premises after the expiration or termination of this Lease without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. If Tenant retains possession of any part of the Premises after the Term, Tenant shall become a month-to-month tenant for the entire Premises upon all of the terms of this Lease as might be applicable to such month-to-month tenancy, except that Tenant shall pay Base Rent at 150% of the rate in effect immediately prior to such holdover, computed on a monthly basis for each full or partial month Tenant remains in possession and Landlord may terminate such tenancy upon 5 days written notice. Tenant shall also pay Landlord all of Landlord's direct and consequential damages resulting from Tenant's holdover. No acceptance of Rent or other payments by Landlord under these holdover provisions shall operate as a waiver of Landlord's right to regain possession or any other of Landlord's remedies.

16. **SUBORDINATION TO GROUND LEASES AND MORTGAGES.**

16.1. **Subordination.** This Lease shall be subordinate to any present or future ground lease or mortgage respecting the Building or Property and any amendments to such ground lease or mortgage, at the election of the ground lessor or mortgagee as the case may be, effected by notice to Tenant in the manner provided in this Lease. The subordination shall be effective upon such notice, but at the request of Landlord or ground lessor or mortgagee, Tenant shall within ten (10) days of the request, execute and deliver to the requesting party any reasonable documents provided to evidence the subordination. Any mortgagee has the right, at its option, to subordinate its mortgage to the terms of this Lease, without notice to, nor the consent of, Tenant.

16.2. **Foreclosure of Mortgage.** If any mortgage is foreclosed or deed in lieu of foreclosure given and the mortgagee or purchaser at a foreclosure sale shall thereby become the owner of the Building or Property Tenant shall attorn to such mortgagee or purchaser without any deduction or setoff by Tenant, and this Lease shall continue in effect as a direct lease between Tenant and such mortgagee or purchaser. The mortgagee or purchaser shall be liable as Landlord only during the time such mortgagee or purchaser is the owner of the Building or Property. At the request of Landlord or mortgagee, Tenant shall execute and deliver within ten (10) days of the request any document furnished by the requesting party to evidence Tenant's agreement to attorn.

16.3. **Security Deposit.** Any mortgagee shall be responsible for the return of any security deposit by Tenant only to the extent the security deposit is received by such mortgagee.



16.4. **Notice and Right to Cure.** Tenant agrees to send by registered or certified mail to any mortgagee identified in any written notice from Landlord to Tenant a copy of any notice of default sent by Tenant to Landlord. Landlord shall have 30 days to cure such default, or if it cannot be cured within 30 days, then such additional time as is necessary to cure such default. If Landlord fails to cure such default within the required time period under this Lease, but mortgagee begins to cure within ten (10) business days after such period and proceeds diligently to complete such cure, then mortgagee shall have such additional time as is necessary to complete such cure, including any time necessary to obtain possession if possession is necessary to cure, and Tenant shall not begin to enforce its remedies so long as the cure is being diligently pursued.

17. **ASSIGNMENT AND SUBLEASE.**

17.1. **In General.** Tenant shall not, without the prior consent of Landlord in each case, (i) grant or allow any assignment or transfer, by operation of law or otherwise, of any part of Tenant's interest in this Lease, (ii) grant or allow any lien or encumbrance, by operation of law or otherwise, upon any part of Tenant's interest in this Lease, (iii) sublet any part of the Premises, or (iv) permit anyone other than Tenant and its employees to occupy any part of the Premises. Tenant shall remain primarily liable for all of its obligations under this Lease, notwithstanding any assignment or transfer. No consent granted by Landlord shall be deemed to be a consent to any subsequent assignment or transfer, lien or encumbrance, sublease or occupancy. Tenant shall pay all of Landlord's attorneys' fees and other expenses incurred in connection with any consent requested by Tenant or in reviewing any proposed assignment or subletting. Any assignment or transfer, grant of lien or encumbrance, or sublease or occupancy without Landlord's prior written consent shall be void and a default hereunder.

17.2. **Landlord's Consent.** Landlord will not unreasonably withhold its consent to any proposed assignment or subletting. It shall be reasonable for Landlord to withhold its consent to any assignment or sublease if (i) Tenant is in default under this Lease, (ii) the financial responsibility, nature of business, and character of the proposed assignee or subtenant are not all reasonably satisfactory to Landlord, (iii) in the reasonable judgment of Landlord the purpose for which the assignee or subtenant intends to use the Premises (or a portion thereof) is not in keeping with Landlord's standards for the Building or Property, or are in violation of the terms of this Lease, or (iv) the proposed assignment is for less than the entire Premises or for less than the remaining Term of the Lease. The foregoing shall not exclude any other reasonable basis for Landlord to withhold its consent.

17.3. **Procedure.** Tenant shall notify Landlord of any proposed assignment or sublease at least thirty (30) days prior to its proposed effective date. The notice shall include the name and address of the proposed assignee or subtenant, its corporate affiliates in the case of a corporation and its partners in a case of a partnership, an execution copy of the proposed assignment or sublease, and sufficient information to permit Landlord to determine the financial responsibility and character of the proposed assignee or subtenant. As a condition to any effective assignment or sublease of this Lease, the assignee or subtenant shall execute and deliver in form satisfactory to Landlord at least fifteen (15) days prior to the effective date of the assignment and assumption or sublease of all of the obligations of Tenant under this Lease.

17.4. **Change of Management or Ownership.** Any transfer of the direct or indirect power to affect the management or policies of Tenant or direct or indirect change in 25% or more of the ownership interest in Tenant shall constitute an assignment of this Lease.

17.5. **Excess Payments.** Tenant shall not profit from any sublet or assignment of this Lease. If Tenant shall assign this Lease or sublet any part of the Premises for consideration in excess of the pro-rata portion of Rent applicable to the space subject to the assignment or sublet, then Tenant shall pay to Landlord as Additional Rent 100% of any such excess immediately upon receipt.

18. **CONVEYANCE BY LANDLORD.** If Landlord shall at any time transfer its interest in the Building, the Land or this Lease, Landlord shall be released of any obligations occurring after such transfer, except the obligation to return to Tenant any security deposit not delivered to Landlord's transferee, and Tenant shall look solely to Landlord's successors for performance of such obligations. The lease shall survive any transfer of ownership of the building.

19. **ESTOPPEL CERTIFICATE.**

19.1. **Duty to Provide.** Each party shall, within ten (10) business days of receiving a request from the other party, execute, acknowledge in recordable form, and deliver to the other party or its designee a certificate stating, subject to a specific statement of any applicable exceptions, that the Lease as amended to date is in full force and effect, that the Tenant is paying Rent and other charges on a current basis, and that to the best of the knowledge of the certifying party, the other party has committed no uncured defaults and has no offsets or claims. The certifying party may also be required to state the date of commencement of payment of Rent, the Commencement Date, the Termination Date, the Base Rent, the status of any improvements required to be completed by Landlord, the amount of any security deposit, and such other matters as may be reasonably requested. It is intended that any such certificate delivered by Tenant may be relied upon by Landlord, or any mortgagee or prospective mortgagee or any potential purchaser of the Building or Property.

19.2. **Tenant's Failure to Deliver.** Tenant acknowledges that it may be difficult, if not impossible, for Landlord to sell or finance the Property without such an estoppel certificate from Tenant, and that Landlord would not enter into this Lease without Tenant's agreement to provide such an estoppel certificate. Tenant's failure to deliver the estoppel certificate in the time and manner provided herein shall constitute an event of default under Paragraph 12.2. In addition, Tenant agrees to pay any damages incurred by Landlord as a result of Tenant's failure (including costs or damages resulting from a lost sale or financing) which a court with proper jurisdiction determines to be appropriate. In addition, in the event that Tenant does not execute and deliver the statement required by this Paragraph 19, Tenant shall be in default under this Lease and hereby grants to Landlord a power of attorney coupled with an interest to act as Tenant's attorney in fact for the purpose of executing and delivering the estoppel certificate required by this Section 19.

20. **SECURITY DEPOSIT.** Tenant shall deposit with Landlord on the date of this Lease, security for the performance of all of its obligations in the amount set forth on the Schedule. If Tenant defaults under this Lease, Landlord may use any part of the Security Deposit to make any defaulted payment, to pay for Landlord's cure of any defaulted obligation, or to compensate Landlord for any loss or damage resulting from any default. To the extent any portion of the deposit is used, Tenant shall within five (5) days after demand from Landlord restore the deposit to its full amount. Landlord may keep the Security Deposit in its general funds and shall not be required to pay interest to Tenant on the deposit amount. If Tenant shall perform all of its obligations under this Lease and return the Premises to Landlord at the end of the Term as required herein, Landlord shall return all of the remaining Security Deposit to Tenant within sixty (60) days after the end of the Term. The Security Deposit shall not serve as an advance payment of Rent or a measure of Landlord's damages for any default under this Lease. If Landlord transfers its interest in the Building or Land or this Lease, Landlord may transfer the Security Deposit to its transferee. Upon such transfer, Landlord shall have no further obligation to return the Security Deposit to Tenant, and Tenant's right to the return of the Security Deposit shall apply solely against Landlord's transferee.

21. **FORCE MAJEURE.** Landlord shall not be in default under this Lease to the extent Landlord is unable to perform any of its obligations on account of any strike or labor problem, energy shortage, governmental pre-emption or prescription, national emergency, or any other cause of any kind beyond the reasonable control of Landlord ("Force Majeure").

22. **NOTICES.** All notices, consents, approvals and similar communications to be given by one party to the other under this Lease, shall be given in writing, mailed or personally delivered as follows:

**Landlord.** To Landlord as follows:

Jackson Teton County Housing Department

P.O. Box 714  
Jackson, Wyoming 83001  
Attn: Executive Director

or to such other person at such other address as Landlord may designate by notice to Tenant.

**Tenant.** To Tenant as follows:

Jackson Hole Chamber of Commerce  
P.O. Box 550  
Jackson, Wyoming 83001  
Attn: Anna Olson, President

or to the Premises from and after the Commencement Date, or to such other person at such other address as Tenant may designate by notice to Landlord.

Mailed notices shall be sent by United States certified or registered mail, or by a reputable national overnight courier service, postage prepaid. Mailed notices shall be deemed to have been given on the earlier of actual delivery or three (3) business days after posting in the United States mail in the case of registered or certified mail, and one business day in the case of overnight courier.

23. **QUIET POSSESSION.** So long as Tenant shall perform all of its obligations under this Lease, Tenant shall enjoy peaceful and quiet possession of the Premises against any party claiming through the Landlord.

24. **REAL ESTATE BROKER.** Tenant represents to Landlord that Tenant has not dealt with any real estate broker with respect to this Lease, and no broker is in any way entitled to any broker's fees or other payment in connection with this Lease by and through Tenant. Tenant shall indemnify and defend Landlord against any claims by any other broker or third party for any payment of any kind in connection with this Lease.

25. **MISCELLANEOUS.**

25.1. **Successors and Assigns.** Subject to the limits on Tenant's assignment contained in Section 17, the provisions of this Lease shall be binding upon and inure to the benefit of all successors and assigns of Landlord and Tenant.

25.2. **Date Payments Are Due.** Except for payments to be made by Tenant under this Lease which are due upon demand or are due in advance (such as Base Rent), Tenant shall pay to Landlord any amount for which Landlord renders a statement of account within five (5) days of Tenant's receipt of Landlord's statement.

25.3. **Time of the Essence.** Time is of the essence of each provision of this Lease.

25.4. **No Option.** This document shall not be effective for any purpose until it has been executed and delivered by both parties; execution and delivery by one party shall not create any option or other right in the other party.

25.5. **Severability.** The unenforceability of any provision of this Lease shall not affect any other provision.

25.6. **Governing Law.** This Lease shall be governed in all respects by the laws of the State of Wyoming, without regard to the principles of conflicts of laws.

25.7. **Lease Modification.** Tenant agrees to modify this Lease in any way requested by a mortgagee which does not cause increased expense to Tenant or otherwise materially adversely affect Tenant's interests under this Lease. No modification of this Lease shall be effective unless it is a written modification signed by both parties.

25.8. **Landlord's Right to Cure.** If Landlord breaches any of its obligations under this Lease, Tenant shall notify Landlord in writing and shall take no action respecting such breach so long as Landlord promptly begins to

cure the breach and diligently pursues such cure to its completion. Landlord may cure any default by Tenant; any expenses incurred shall become Additional Rent due from Tenant on demand by Landlord.

25.9. **No Merger.** The termination of this Lease shall not be a merger, and such termination shall, at the option of Landlord, either terminate all subleases and subtenancies or operate as an assignment to Landlord of any or all such subleases or subtenancies.

25.10. **Captions.** The captions used in this Lease shall have no effect on the construction of this Lease.

25.11. **Authority.** Landlord and Tenant each represents to the other that it has full power and authority to execute and perform this Lease.

25.12. **Landlord's Enforcement of Remedies.** Landlord may enforce any of its remedies under this Lease either in its own name or through an agent. No act or thing done by Landlord or Landlord's agents during the term, including any agreement to accept the surrender of the Premises or to amend or modify this Lease, shall be binding on Landlord, unless in writing and signed by a person authorized to bind Landlord. The delivery of keys to Landlord, or Landlord's agents, employees, or officers shall not operate as a termination of this Lease or a surrender of the Premises. No payment by Tenant or receipt by Landlord of a lesser amount than the full monthly Rent and all other amounts owing, as herein stipulated, shall be deemed to be other than on account of the earliest due Rent or other amounts, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction. Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance owed or to pursue any other remedy available to Landlord.

25.13. **Entire Agreement.** This Lease, together with all Attachments, constitutes the entire agreement between the parties. No representations or agreements of any kind have been made by either party which are not contained in this Lease.

25.14. **Singular and Plural.** Wherever appropriate in this Lease, a singular term shall be construed to mean the plural where necessary, and a plural term the singular. For example, if at any time two parties shall constitute Landlord or Tenant, then the relevant term shall refer to both parties together.

25.15. **Joint and Several.** If there are more than one entity or person which are the Tenant under this Lease, the obligations imposed upon Tenant under this Lease shall be joint and several.

25.16. **No Recording by Tenant.** Tenant shall not record in any public records any memorandum or any portion of this Lease.

25.17. **No Construction Against Drafting Party.** The rule of construction that ambiguities are resolved against the drafting party shall not apply to this Lease.

25.18. **Survival.** All obligations of Landlord and Tenant under this Lease shall survive the termination of this Lease.

25.19. **Building Manager and Service Providers.** Landlord may perform any of its obligations under this Lease through its employees or third parties hired by the Landlord.

25.20. **Tenant's Financial Statements.** Within ten (10) days after Landlord's written request therefor, Tenant shall deliver to Landlord the current audited annual and quarterly financial statements of Tenant, and annual audited financial statements of the two (2) years prior to the current year's financial statements, each with an opinion of a certified public accountant and including a balance sheet and profit and loss statement, all prepared in accordance with generally accepted accounting principles consistently applied.

26. **HAZARDOUS SUBSTANCES.** Tenant shall not cause or permit any Hazardous Substances to be brought upon, produced, stored, used, discharged or disposed of in or near the Building or Land unless Landlord has consented to such storage or use in its sole discretion. Tenant shall not use or store any chlorinated substances within the Building or Land or permit any chlorinated substances to be used or stored within the Premises. "Hazardous Substances" include those hazardous substances described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., any other applicable federal, state or local law, and the regulations adopted under these laws. If any lender or governmental agency shall require testing for Hazardous Substances in the Premises, Tenant shall pay for such testing. Tenant hereby indemnifies and holds Landlord and its officers, directors, employees and agents harmless from and against all claims, liabilities, and

27. **EXCULPATION.** Landlord shall have no personal liability under this Lease; its liability shall be limited to its interest in the Building and Property, and shall not extend to any other property or assets of the Landlord. In no event shall any officer, director, employee, agent, shareholder, partner, member or beneficiary of Landlord be personally liable for any of Landlord's obligations hereunder.

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**TENANT:**

**Jackson Hole Chamber of Commerce**

By: \_\_\_\_\_

Name: Anna Olson

Title: Executive Director

STATE OF WYOMING    )

) ss.

COUNTY OF TETON    )

On the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, the foregoing Lease Agreement was acknowledged before me by \_\_\_\_\_.

Witness my hand and official seal.

(Seal)

\_\_\_\_\_  
Notary Public



## MEMO

**TO:** Jackson/Teton County Housing Authority Board  
**FROM:** April Norton, Director  
**DATE:** December 31, 2018  
**SUBJECT:** 4307 S. Sage Meadow Road – Purchase of Sunset Clause

The owner of 4307 S. Sage Meadow Road previously requested an exception allowing her to rent her home for one year. The Housing Manager denied the request because she did not present an exigent circumstance.

Subsequent to that request, the owner met with Housing Department staff to discuss a way to move forward. She currently has a restriction on her unit that sunsets in January 2020 and has indicated that she would sell the unit to the Housing Authority for a reduced (free market) price.

The Housing Department hired Stephen Barclay with Rocky Mountain Appraisers to conduct an appraisal for the property. This appraisal estimates the market value of the home at \$625,000 and is attached to this staff report. The appraisal cost \$550.

The Housing Director spoke with the homeowner on Monday, December 31<sup>st</sup> to discuss the appraisal and next steps. During that phone call the homeowner indicated that she would be willing to accept a price of \$600,000 for the home, which is a reduction of \$25,000 from the appraised value.

### Snapshot info:

- 2-bedroom, 1-bathroom Category Two (80-100% MFI) home purchased in January 2000 for \$98,500.
- Current estimated value with restriction in place is \$148,652.

If the Board chooses to purchase the home, strip the sunset clause, place a new restriction on the unit, and then sell the unit to a qualified household, the following represents the maximum amount for which the Authority could sell the unit:

Income Range	Maximum Sales Price
0-50% MFI	\$76,000
50-80% MFI	\$164,850
80-120% MFI	\$253,700
Workforce	No set price – would expect \$400,000-range

### Staff Analysis

The key question for the Board to consider relates to how much stripping a sunset clause is worth. If the unit does become a free market unit, the initial seller is likely to be a member of the workforce based on the price point and location of the unit. However, based on market trends, it becomes increasingly less likely that any subsequent buyer will be part of the workforce.



Today, if you assume \$400 per square foot for hard + soft costs, the cost to build a 1,115 square-foot residence is approximately \$446,000. At a sales price of \$253,700 (max price for an 80-120% MFI 2-bedroom unit), the public subsidy would be approximately \$200,000. If a Workforce Ownership restriction was placed on the unit, the public subsidy would be much lower – anywhere from \$0 to \$50,000.

So, if the unit is purchased for \$600,000 and an 80-120% MFI restriction is recorded, then the public subsidy would be approximately \$346,000.

If the unit is purchased for \$600,000 and a Workforce Ownership restriction is recorded, then the public subsidy would be closer to \$150,000 (assuming a restricted sales price of \$450,000).

### **Staff Recommendation**

Staff recommends purchasing the home for an amount not to exceed \$600,000. Once purchased, replace the old restriction with a Workforce Ownership restriction and sell to a qualified household for \$150,000 less than the purchase price. This approach ensures the unit remains restricted for the workforce in perpetuity, allows the current homeowner to move forward with her plans to purchase a market home, and limits the additional public subsidy on the home.

### **Next Steps**

The Housing Director will present the same question to the Housing Supply Board on Tuesday, January 8<sup>th</sup>. Once she has received recommendations from both Boards, and assuming both Boards recommend purchasing the unit and a purchase price can be agreed upon with the homeowner, she will take the item to the Town Council and Board of County Commissioners, requesting Housing Supply Program funds to purchase the unit. This will likely occur at the February 4<sup>th</sup> Joint Information Meeting. Once the unit is re-sold, the sales proceeds will be deposited back into the Housing Supply Program account.

### **Recommendation from Housing Authority Board**

Suggested motion:

I move to recommend the purchase of 4307 S. Sage Meadow Road for an amount not to exceed \$600,000. Subsequent to that purchase, I recommend that the Housing Department record a Workforce Ownership restriction on the unit and sell to a qualified household.



## Rocky Mountain Appraisals



## APPRAISAL OF REAL PROPERTY

### LOCATED AT:

4307 S Sage Meadow Rd  
LOT 14, SAGE MEADOWS AFFORDABLE CAT. 2  
Jackson, WY 83001

### FOR:

Jackson/Teton County Affordable Housing Department  
320 S King St  
Jackson, WY 83001

### AS OF:

12/21/2018

### BY:

Stephen Barclay

PO Box 9488  
Jackson, WY 83002

Rocky Mountain Appraisals

PO Box 9488  
Jackson, WY 83002

12/27/2018

Jackson/Teton County Affordable Housing Department  
320 S King St  
Jackson, WY 83001

Re: Property: 4307 S Sage Meadow Rd  
Jackson, WY 83001  
Borrower: N/A  
File No.: Barnes18-TCHA

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached. The report has been prepared for the sole use of Jackson/Teton County Affordable Housing Department to estimate the market value of the subject property. It is not intended for the use of others or for other uses. This report was finalized on 12/27/2018. The effective date of this appraisal is the initial date of inspection, which is noted to be: 12/21/2018.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,

Stephen Barclay  
WY Certified Residential Appraiser Permit #938

Property Description

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. Barnes18-TCHA

SUBJECT	Property Address	4307 S Sage Meadow Rd			City Jackson		State WY		Zip Code 83001				
	Legal Description	LOT 14, SAGE MEADOWS AFFORDABLE CAT. 2						County Teton					
	Assessor's Parcel No.	22-40-16-20-1-09-014		Tax Year 2018		R.E. Taxes \$ 1,131.37		Special Assessments \$ 310					
	Borrower	N/A		Current Owner Bobi Jo Barnes		Occupant:		<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> Vacant			
	Property rights appraised	<input type="checkbox"/> Fee Simple	<input checked="" type="checkbox"/> Leasehold	Project Type		<input checked="" type="checkbox"/> PUD	<input type="checkbox"/> Condominium (HUD/VA only)		HOA \$ 65 /Mo.				
	Neighborhood or Project Name	Sage Meadows			Map Reference 00956		Census Tract 9678.00						
	Sale Price	\$		Date of Sale		Description and \$ amount of loan charges/concessions to be paid by seller 0							
	Lender/Client	Jackson/Teton County Affordable Housing Department			Address 320 S King St, Jackson, WY 83001								
	Appraiser	Stephen Barclay			Address PO Box 9488, Jackson, WY 83002								
	NEIGHBORHOOD	Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Predominant occupancy	Single family housing			Present land use %		Land use change	
Built up		<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	PRICE \$ (000)		AGE (yrs)	One family	80	<input checked="" type="checkbox"/> Not likely	<input type="checkbox"/> Likely		
Growth rate		<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	150		Low 1	2-4 family	5	<input type="checkbox"/> In process			
Property values		<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	<input type="checkbox"/> Tenant	1,700 High 40			Multi-family	5	To: _____		
Demand/supply		<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In balance	<input type="checkbox"/> Over supply	<input checked="" type="checkbox"/> Vacant (0-5%)	Predominant			Commercial	5			
Marketing time		<input type="checkbox"/> Under 3 mos.	<input checked="" type="checkbox"/> 3-6 mos.	<input type="checkbox"/> Over 6 mos.	<input type="checkbox"/> Vac.(over 5%)	550 20			5				
<b>Note: Race and the racial composition of the neighborhood are not appraisal factors.</b>													
Neighborhood boundaries and characteristics: See attached addendum.													
Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.): See attached addendum.													
Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.): See attached addendum.													
PUD	Project Information for PUDs (If applicable) - - Is the developer/builder in control of the Home Owners' Association (HOA)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												
	Approximate total number of units in the subject project 23 Approximate total number of units for sale in the subject project 0												
	Describe common elements and recreational facilities: Common area/Roads												
SITE	Dimensions	See Plat Map						Topography	Level				
	Site area	0.10 ac			Corner Lot	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Size	0.10 ac				
	Specific zoning classification and description	PUD R3						Shape	Irregular				
	Zoning compliance	<input checked="" type="checkbox"/> Legal	<input type="checkbox"/> Legal nonconforming (Grandfathered use)			<input type="checkbox"/> Illegal	<input type="checkbox"/> No zoning	Drainage	Appears adequate				
	Highest & best use as improved:	<input checked="" type="checkbox"/> Present use	<input type="checkbox"/> Other use (explain)					View	Mtns/Res./Good				
	Utilities	Public	Other		Off-site Improvements	Type	Public	Private	Landscaping	Sod/Trees/Natural			
	Electricity	<input checked="" type="checkbox"/>			Street	Paved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Driveway Surface	Asphalt			
	Gas	<input checked="" type="checkbox"/>			Curb/gutter	None/Typical	<input type="checkbox"/>	<input type="checkbox"/>	Apparent easements	Of Record			
	Water	<input type="checkbox"/>	Community/Typical		Sidewalk	None/Typical	<input type="checkbox"/>	<input type="checkbox"/>	FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	Sanitary sewer	<input checked="" type="checkbox"/>			Street lights	None/Typical	<input type="checkbox"/>	<input type="checkbox"/>	FEMA Zone	X		Map Date 9/16/2015	
Storm sewer	<input type="checkbox"/>			Alley	None	<input type="checkbox"/>	<input type="checkbox"/>	FEMA Map No.	56039C2917E				
Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): See attached addendum.													
DESCRIPTION OF IMPROVEMENTS	GENERAL DESCRIPTION		EXTERIOR DESCRIPTION			FOUNDATION		BASEMENT		INSULATION			
	No. of Units	1	Foundation	Conc./Good		Slab	None		Area Sq. Ft.	0	Roof	<input type="checkbox"/>	
	No. of Stories	2	Exterior Walls	Wood/Good		Crawl Space	Yes		% Finished	0	Ceiling	<input type="checkbox"/>	
	Type (Det./Att.)	Detached	Roof Surface	Comp./Good		Basement	None		Ceiling	N/A	Walls	<input type="checkbox"/>	
	Design (Style)	Bungalow	Gutters & Dwnspts.	Ovrhng/Good		Sump Pump	Unknown		Walls	N/A	Floor	<input type="checkbox"/>	
	Existing/Proposed	Existing	Window Type	Csmt/Fxd/Good		Dampness	None Noted		Floor	N/A	None	<input type="checkbox"/>	
	Age (Yrs.)	19	Storm/Screens	Mesh/Good		Settlement	None Noted		Outside Entry	N/A	Unknown	<input checked="" type="checkbox"/>	
	Effective Age (Yrs.)	8	Manufactured House	No		Infestation	None Noted						
	ROOMS	Foyer	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bedrooms	# Baths	Laundry	Other	Area Sq. Ft.
	Basement												0
Level 1		1		1				2	1	Area		835	
Level 2					1/Office							280	
Finished area above grade contains: 5 Rooms; 2 Bedroom(s); 1 Bath(s); 1,115 Square Feet of Gross Living Area													
INTERIOR	Materials/Condition		HEATING	Yes	KITCHEN EQUIP.	ATTIC	AMENITIES		CAR STORAGE:				
Floors	WdLam/Cpt/PlyWd/G		Type	FA	Refrigerator	<input checked="" type="checkbox"/> None	<input checked="" type="checkbox"/>	Fireplace(s) #	0	<input type="checkbox"/>	None	<input type="checkbox"/>	
Walls	ShtRck/Good		Fuel	Elec.	Range/Oven	<input checked="" type="checkbox"/>	Stairs	<input type="checkbox"/> Patio	None	<input type="checkbox"/>	Garage	# of cars	
Trim/Finish	Wood/Good		Condition	Good	Disposal	<input checked="" type="checkbox"/>	Drop Stair	<input type="checkbox"/> Deck	Wood/Cov.	<input checked="" type="checkbox"/>	Attached	1	
Bath Floor	Tile/Good		COOLING	None	Dishwasher	<input checked="" type="checkbox"/>	Scuttle	<input type="checkbox"/> Porch	Wood/Cov.	<input checked="" type="checkbox"/>	Detached		
Bath Wainscot	Tile/Good		Central	None	Fan/Hood	<input type="checkbox"/>	Floor	<input type="checkbox"/> Fence	Partial	<input checked="" type="checkbox"/>	Built-In		
Doors	Wood H.C./Good		Other	None	Microwave	<input checked="" type="checkbox"/>	Heated	<input type="checkbox"/> Pool	None	<input type="checkbox"/>	Carport		
			Condition	N/A	Washer/Dryer	<input checked="" type="checkbox"/>	Finished	<input type="checkbox"/>		<input type="checkbox"/>	Driveway	2	
COMMENTS	Additional features (special energy efficient items, etc.): See attached addendum.												
	Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: The subject was built in 1999 and has been well maintained and remains in good overall condition.The following features have been updated: ceiling fan added; wood laminate flooring added; tile surround in bath was added; some light fixtures were added; nine windows were replaced; and a tile backsplash was added.												
	Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property.: None noted at time of inspection.												

Freddie Mac Form 70 6/93

PAGE 1 OF 2

Fannie Mae Form 1004 6/93

Form UA2 - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE

COST APPROACH

ESTIMATED SITE VALUE = \$ 350,000

ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:

Dwelling 1,115 Sq. Ft. @ \$ 225.00 = \$ 250,875

Sq. Ft. @ \$ =

=

Garage/Carport 264 Sq. Ft. @ \$ 75.00 = 19,800

Total Estimated Cost New = \$ 270,675

Less Physical Functional External

Depreciation 30,938 = \$ 30,938

Depreciated Value of Improvements = \$ 239,737

"As-is" Value of Site Improvements = \$ 15,000

INDICATED VALUE BY COST APPROACH = \$ 604,737

Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): See attached addendum.

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
4307 S Sage Meadow Rd		790 Wind River Ln		3425 S Shorthorn Dr		3355 S Ten Sleep Dr Apt 2	
Address Jackson, WY 83001		Jackson, WY 83001		Jackson, WY 83001		Jackson, WY 83001	
Proximity to Subject		0.22 miles W		0.99 miles NW		1.27 miles NW	
Sales Price	\$	\$ 545,000		\$ 665,000		\$ 599,500	
Price/Gross Living Area	\$	\$ 391.52		\$ 612.90		\$ 576.44	
Data and/or	Inspect/CtyRec	TCMLS#18-335;DOM 140		TCMLS#17-2084;DOM 296		TCMLS#18-2404;DOM 43	
Verification Source	Inspect/CtyRec	CtyRec/CntyRec/		CntyRec/TCMLS		Realtor/CntyRec	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (−)\$ Adjust.	DESCRIPTION	+ (−)\$ Adjust.	DESCRIPTION	+ (−)\$ Adjust.
Sales or Financing		ArmLth		ArmLth		ArmLth	
Concessions		Cash;0		Conv;0		Conv;0	
Date of Sale/Time		07/09/2018	+6,812	05/04/2018	+11,637	09/21/2018	+4,496
Location	Suburban	Suburban		Suburban		Suburban	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	0.10 ac	0.07 ac		0.25 ac	-25,000	0.05 ac	
View	Mtns/Res./Good	Mtns/Res./Good		Mtn/Res/Good		Mtn/Res/Good	
Design and Appeal	Bungalow	Twnhm/Att./nt.	+20,000	Ranch		Twhhm/Att./Int	+20,000
Quality of Construction	Average (+)	Average (+)		Average (+)		Average (+)	
Age	19	21		37		37	
Condition	Good	Good		Good		Good	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	5 2 1	5 2 2.0		5 2 2.0		4 2 2.0	
Gross Living Area	1,115 Sq. Ft.	1,392 Sq. Ft.	-62,300	1,085 Sq. Ft.	+6,800	1,040 Sq. Ft.	+16,900
Basement & Finished	0	0		0		0	
Rooms Below Grade	0	0		0		0	
Functional Utility	Conforms	Conforms		Conforms		Conforms	
Heating/Cooling	FA	FWA		EBB		EBB	
Energy Efficient Items	None	None		None		None	
Garage/Carport	1 Car Garage	1 Car Garage		2 Car Garage	-15,000	2 Car Garage	-15,000
Porch, Patio, Deck, Fireplace(s), etc.	Porch/Deck	Porch/Deck		Porch/Deck		Porch/Deck	
Fence, Pool, etc.							
		Roof Repairs	+120,000				
Net Adj. (total)		⊗ + ⊠ − \$	84,512	⊠ + ⊗ − \$	-21,563	⊗ + ⊠ − \$	26,396
Adjusted Sales Price of Comparable		\$	629,512	\$	643,437	\$	625,896

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): A search of sales, pending sales and active listings were undertaken in the subject's market area for similar properties using the appraiser's proprietary database and the Teton County MLS. Comparables were selected from this search and included in this appraisal. A complete write up for each comparable used in this appraisal is contained in the sales comparison section of the attached addendum.

ITEM

SUBJECT

COMPARABLE NO. 1

COMPARABLE NO. 2

COMPARABLE NO. 3

Date, Price and Data

None past 36 mt

None in Past 12 months

None in past 12 months

None in past 12 months

Source, for prior sales

N/A

N/A

N/A

N/A

within year of appraisal

CtyRec/MLS/DB

CtyRec/MLS/DB

CtyRec/TCMLS/RMA DB

TCMLS/Pub Rec

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal:

See attached addendum.

INDICATED VALUE BY SALES COMPARISON APPROACH

\$ 625,000

INDICATED VALUE BY INCOME APPROACH (if Applicable)

Estimated Market Rent \$ /Mo. x Gross Rent Multiplier = \$

RECONCILIATION

This appraisal is made ☒ "as is" ☐ subject to the repairs, alterations, inspections or conditions listed below ☐ subject to completion per plans & specifications.

Conditions of Appraisal: N/A

Final Reconciliation: See attached addendum.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised 06/93).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF 12/21/2018

(WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 625,000

APPRaiser: Signature Name Stephen Barclay Date Report Signed 12/27/2018 State Certification # 938 State WY Or State License # State

SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature Name Inspect Property ☐ Did ☐ Did Not

## SALES COMPARISON ANALYSIS

COMMENTS

ITEM	SUBJECT	COMPARABLE NO. 4			COMPARABLE NO. 5			COMPARABLE NO. 6		
4307 S Sage Meadow Rd Address Jackson, WY 83001		2042 Corner Creek Ln Jackson, WY 83001			1895 W Cinnamon Teal Rd Jackson, WY 83001			1254 Lewis Way Jackson, WY 83001		
Proximity to Subject		3.37 miles NW			1.71 miles NW			3.79 miles NW		
Sales Price		\$ 607,500			\$ 660,000			\$ 596,500		
Price/Gross Living Area		\$ 553.28			\$ 528.85			\$ 508.96		
Data and/or Verification Sources		TCMLS#17-2247;DOM 188 CntyRec/TCMLS			TCMLS#17-1903;DOM 77 CtyRec/TCMLS/DB/Realtor			TCMLS#18-1775;DOM 173 TCMLS/Realtor		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.		DESCRIPTION	+(-)\$ Adjust.		DESCRIPTION	+(-)\$ Adjust.	
Sales or Financing Concessions		ArmLth Conv;0			ArmLth Conv;0			ArmLth Conv;0		
Date of Sale/Time		01/26/2018	+16,706		09/15/2017	+24,750		12/12/2018		
Location	Suburban	Suburban			Suburban			Suburban		
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Site	0.10 ac	0.2 ac	-25,000		0.11 ac			0.05 ac		
View	Mtns/Res./Good	Mtn/Res/Good			Mtn/Res/Good			Mtn/Res/Good		
Design and Appeal	Bungalow	Ranch			Twnhm/Att./End	+10,000		Twnhm/Att./End	+10,000	
Quality of Construction	Average (+)	Average (+)			Average (+)			Average (+)		
Age	19	32			23			8	0	
Condition	Good	Good			Good			Good		
Above Grade Room Count	Total Bdrms Baths 5 2 1	Total Bdrms Baths 5 2 2.0			Total Bdrms Baths 5 3 2.0			Total Bdrms Baths 5 2 2.0	0	
Gross Living Area	1,115 Sq. Ft.	1,098 Sq. Ft.	+3,800		1,248 Sq. Ft.	-29,900		1,172 Sq. Ft.	-12,800	
Basement & Finished Rooms Below Grade	0 0	0 0			0 0			0 0	0	
Functional Utility	Conforms	Conforms			Conforms			Conforms		
Heating/Cooling	FA	EBB			EBB			Wall FWA	0	
Energy Efficient Items	None	None			None			None		
Garage/Carport	1 Car Garage	2 Car Garage	-15,000		2 Car Garage	-15,000		1 Car Garage		
Porch, Patio, Deck, Fireplace(s), etc.	Porch/Deck 0	Porch/Deck			Porch/Deck			Porch	0	
Fence, Pool, etc.										
Net Adj. (total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -19,494		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -10,150		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -2,800	
Adjusted Sales Price of Comparable			\$ 588,006			\$ 649,850			\$ 593,700	
Date, Price and Data Source for prior sales within year of appraisal	None past 36 mt N/A CtyRec/MLS/DB	None in past 12 months N/A CtyRec/TCMLS/RMA DB			None in past 12 months N/A CtyRec/TCMLS/RMA DB			None in past 12 months N/A CtyRec/TCMLS		

[illegible]

Supplemental Addendum

File No. Barnes18-TCHA

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				

Additional Comments

Subject

Teton County Wyoming has limited mail delivery and a majority of properties do not have USPS mailing addresses. In instances where USPS mailing addressed did not exist, address for the subject and / or comparables was obtained from the Teton County Geographical Information System.

Subject Listing History – NO ADDITIONAL COMMENTS

At the request of the client, this appraisal is made based on the basis of a hypothetical condition that the property rights being appraised are the fee simple interest without resale or other restrictions. It should be understood that the hypothetical condition contained in this appraisal is based on the assumption that, if the property was to be foreclosed upon, the lending institution would be allowed to sell the property for market value. However, in the deed restrictions it stipulates that if the subject property is foreclosed on, the Teton County Housing Authority (TCHA) or the County may purchase the property at the foreclosure sale, and in such event, the property would remain subject to the deed restrictions. According to the TCHA, the latter scenario is the most likely. This would result in the TCHA purchasing the subject property at a value that is less than the hypothetical value estimate contained in this appraisal.

Contract

Contract Review Comments – NO ADDITIONAL COMMENTS

Financial Assistance Comments– NO ADDITIONAL COMMENTS

Neighborhood

Present Land Use "Other" - Referring to the Neighborhood Section of the 1004 Form, there may have been some land use that is allocated as "Other". This allocation is taking into account public areas such as parks or for the conservation of open space that is required for development in this area.

Boundaries and Description

The subject's neighborhood is located approximately 4 miles south of Jackson. The subject's market area is bounded to the west by South Park Loop Road, to the east by Hwy. 89, to the north by similar townhome developments in the town of Jackson and to the south by Hoback Junction. The neighborhood is dominated by single family residences on lots less than an acre in size. Larger parcels exist in the area, but typically not larger than 2-5 acres. The subject is located in the affordable housing section of the Melody Ranch development. Melody Ranch is one of the newer subdivisions in the valley (Developed in approximately 1996). It is dominated by newer good quality homes which are considered to be a step above entry level in the Jackson market. This neighborhood offers reasonable convenience to the amenities of Jackson and yet offers privacy from the traffic of town.

Site Comments

Due to the lack of sales of vacant townhome sites, the extraction method was used. The subject property has an estimated site value of \$350,000.

The subject is located in an affordable housing development known as Sage Meadows which consists of similar sized homes on similar sized lots with a homogenous design appeal throughout the development. The subject backs up to an area of common space in the development which allows for good mountain views to the northwest. The subject benefits from its proximity to the bike path as well as to the nearby National Forest and Snake River.

See attached addendum for JHCHT Income and Asset Chart

The TCHA is a non profit organization, which was founded to support and strengthen the Jackson Hole community by increasing home ownership opportunities for those who work in Teton County, but are unable to compete in the conventional housing market. Housing Authority homes appreciate each year in tandem with an index that reflects the cost of living in this region (specifically the Northwest Wyoming Cost of Living Index or 2% whichever is less), plus any pre-approved renovations to the subject property (with limitations per the TCHA). At the time of the resale, the TCHA calculates the maximum allowable sales price based on this formula. The original owner of the property also pays a transfer fee which is presently \$1,000. This transfer fee is adjusted yearly, based on the increase in the Northwest Wyoming Cost of Living Index.

See attached addendum for Teton County Housing Authority Income and Asset Chart

According to Teton County records, the subject property is an Affordable Category 2 home that has resulted from the affordable housing requirements of the Teton County Land Development Regulations. The deed restrictions on the subject property require that:

- 1) The buyer may not have a maximum family income and asset value exceeding that set forth in the Teton County Housing Authority Affordable Housing Guidelines;
- 2) The owner must reside in the home as a full-time primary resident;
- 3) The owner must work in Teton County at the time the home is purchased;
- 4) Any subsequent buyer must receive approval through the Teton County Housing Authority.
- 5) The subject property must be financed with a Permitted Mortgage. The principal amount of the Permitted Mortgage does not exceed the approved sales price.

The deed restricted sale price of the subject property may not increase at a rate faster than the Denver - Boulder CPI-U (the Maximum Allowable Sales Price). However, the deed also allows the owner to accept an offer less than the maximum allowable price to qualified buyers. According to the deed, the maximum allowable price (MASP) is not a guaranteed price. If the offers

Supplemental Addendum

File No. Barnes18-TCHA

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				

received are lower than the maximum allowable and the owner is willing to accept those offers, a home in this category can be sold for less then the MASP. Furthermore, should a property be foreclosed on, and sufficient demand does not exist in the price restricted market segment, the fee simple interest in the property can be sold (per the Teton County Housing Authority).

Improvement Comments

Additional Features - Features include: covered front porch; covered back deck; formica counter tops; tile back splash in kitchen; ceiling fan; vaulted ceiling; wood laminate flooring; and tile flooring and surround in bath.

Condition - NO ADDITIONAL COMMENTS

Does Property Generally Conform — NO ADDITIONAL COMMENTS

Sales Comparison Approach

Variance Guideline Exceeded - Due to the limited amount of sales data in the subject's immediate area, it may have been necessary to use comparable sales from more than one mile away and that are older than 6 months. While every attempt has been made to comply with standard underwriting guidelines, such as proximity to the subject, the sales dates of the comparables used, and the gross and net adjustments applied to the comparables, the limited amount of data in the subject's market area makes this difficult. The appraiser acknowledges that the maximum gla variance may have been exceeded as well as the single line/gross/net adjustments. The comparable sales used in this report are, in the opinion of the appraiser, the best available, and all of the adjustments applied to the comparables are necessary in order to reflect the differences between the comparables and the subject property. All of the adjustments applied are supported by market data. Due to the current market and limited data, some of the sales prices exceed 25% of the subject's market value. High land to value ratios (Over 30%) are typical and common in the subject's market area.

Location and acreage adjustments are based on the differences between the estimated site value of the subject and estimated site value of the comparable being adjusted. The difference in land value between the subject and comparable is then allocated between location and site adjustments based on the characteristics of the lots. No adjustment is made for "Views" and is considered to be captured in the adjustment for location and "site" which, as previously discussed, is based on a comparative analysis of land values in the subject's immediate area versus that of the comparable's area. Quality of construction adjustments compensate for differences in construction quality between the subject and the particular comparables. These adjustments are quantified with \$/sq.ft. approximations. Condition adjustments are based on appraiser opinion, Realtor interview, and inspections.

Bathroom/Bedroom Adjustments - Due to the diversity of the property types in the subject's market area, no adjustments have been applied for the differences in bathroom and bedroom count. These differences have been taken into consideration in the gross living area adjustments applied to the comparables.

Market Conditions Adjustments –

The comparables were adjusted for appreciation at a rate of 0.25% per month.

Comparables Adjustments / Explanation –

At the request of the client, the subject property has been appraised under the hypothetical condition that the property rights being appraised without resale and other restrictions. For this reason, the comparables contained in this report are properties that are not deed restricted.

Comparable No.1 is a sale of a unit located proximal to the subject. This comparable has been adjusted for changing market conditions (appreciation) and for its inferior design. It is an attached interior unit.

Comparable No.2 is a sale of a unit located in a competing development. This comparable has been adjusted for changing market conditions (appreciation) and for its larger acreage.

Comparable No.3 is a sale of a unit located proximal to the subject. This comparable has been adjusted for changing market conditions (appreciation) and for its inferior design. It is an attached interior unit.

Comparable No.4 is a sale of a unit located in a competing development. This comparable has been adjusted for changing market conditions (appreciation) and for its larger acreage.

Comparable No.5 is a sale of a unit located proximal to the subject. This comparable has been adjusted for changing market conditions (appreciation) and for its inferior design. It is an attached end unit.

Comparable No.6 is a sale of a unit located proximal to the subject. This comparable has been adjusted for changing market conditions (appreciation) and for its inferior design. It is an attached end unit.

Reconciliation of Sales Comparison Approach - Each of the comparables were given some consideration. Comparable No. 1 was weighted most heavily as it is considered to be most similar to the subject in market appeal. An estimated value of \$625,000 was chosen for the subject property.

According to the deed restrictions, the deed restrictions do not survive foreclosure. However, it should be recognized that the deed restrictions report that the TCHA has a purchase option on the subject property. According to the purchase option, prior to foreclosure, the TCHA can exercise the purchase option a purchase the property for its fair market value (meaning its deed restricted value). A representative of the TCHA reported that if one of the deed restricted properties was in the foreclosure process, they would exercise the purchase option so that it would remain a deed restricted property. In summary, although the deed restrictions do not survive foreclosure, it is most likely that the TCHA would exercise its purchase option and that they would not allow the property to be foreclosed on and sole without deed restrictions.

Sales History for Subject (36 months) and Comparables (12 months) - The subject property has not been sold in the past 36 months. None of the comparables have been sold in the 12 months prior to the previously mentioned sales.

Supplemental Addendum

File No. Barnes18-TCHA

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				

Cost Approach

**Methodology** - Cost and depreciation figures are based on area contractor estimates and Marshall & Swift Valuation Service data. The estimate of depreciation contained in this appraisal is based on the effective age of the subject property. Due to the scarcity of vacant land and Jackson's national recognition as a vacation destination, high land to value ratios are typical of the area and do not adversely affect marketability.

**Site Value Comments** - NO ADDITIONAL COMMENTS

**Comments on the Fannie Mae 1004MC Form** - See the detailed market analysis contained in this addendum.

**Final Reconciliation** - The cost approach to value provides meaningful supporting data. However, varying levels of contractor profit, entrepreneurial profit, and a shortage of comparable vacant land typically dictate that this approach does not serve well as the primary methodology for single family home valuation. As has been previously discussed in this addendum, the income approach to value is not considered to be applicable for the valuation of the subject property and has been omitted. Through the consideration of closed sales, pending sales, and active listings the sales comparison approach estimates a property's value based on prior market transactions and the currently available inventory of homes in the subject's market segment. Therefore, the sales comparison approach is considered the best indication of value in the present market and was given primary consideration in the final estimation of value.

**Highest and Best Use** - Unless otherwise stated, the highest and best use of the subject property as vacant is for single-family residential use. Unless otherwise stated, the highest and best use of the subject property as improved is for continued use of the subject property as it currently exists (with the exception of the correction of items of curable depreciation). In ascertaining the highest and best use of the subject property (both as vacant and as improved), it has been determined that single-family use of the subject property is physically possible, legally permissible, financially feasible, and maximally productive.

Hypothetical or Extraordinary Assumptions –

The following are extraordinary assumptions of this appraisal:  
-The appraiser is not an engineer or building inspector and this home has been appraised under the reasonable assumption that its construction is sound and no environmental contamination exists.  
-No formal survey of the subject site was available for review. The parcel has been appraised as if there were no encroachments.  
**-At the request of the client, this appraisal is made based on the basis of a hypothetical condition that the property rights being appraised are the fee simple interest without resale or other restrictions. It should be understood that the hypothetical condition contained in this appraisal is based on the assumption that, if the property was to be foreclosed upon, the lending institution would be allowed to sell the property for market value. However, in the deed restrictions it stipulates that if the subject property is foreclosed on, the TCHA or the County may purchase the property at the foreclosure sale, and in such event, the property would remain subject to the deed restrictions. According to the TCHA, the latter scenario is the most likely. This would result in the TCHA purchasing the subject property at a value that is less than the hypothetical value estimate contained in this appraisal.**

**Marketing Time** - The Uniform Standards of Professional Appraisal Practice defines marketing time as "[t]he amount of time it might take to sell a property interest in real estate at the concluded market value level during the period immediately after the effective date of the appraisal." Based on this data and current market trends, it is estimated that the subject property should have a marketing time of 3 to 6 months.

**Exposure Time** - The Uniform Standards of Professional Appraisal Practice defines exposure time as "[t]he estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." In consideration of this data and current market trends, the value estimate contained in this appraisal is predicated upon the subject property having been exposed to the open market for a period of time of not less than not less than 3 months.

Purpose of the Appraisal

Unless otherwise stated, the purpose of the appraisal is to arrive at an estimate of market value that is supportable and defensible as to the date of inspection.

Intended Use of the Appraisal

Unless otherwise stated, this appraisal is intended only for the use of the stated client. Use of this appraisal by others or for other purposes is not intended by the appraiser.

Scope of Work / Application of Appraisal Methodology

The Uniform Standards of Professional Appraisal Practice defines “scope of work” as the type and extent of research and extent in an analysis. In its most thorough form, the scope of work in a real estate appraisal assignment will often include the three approaches to value specifically identified as the cost approach, the income approach and the sales comparison approach. Deviations from the application of these three approaches may result from the inapplicability of one or more of the recognized approaches to a particular property type. An example of this being the valuation of small parcels of vacant land, an assignment type which is generally thought to be complete with the application of sales comparison approach only. Furthermore, the needs of the client and intended user of the report may also be considered when determining what methodologies are to be employed in a particular assignment. If, for instance, a client desires to limit the cost of an appraisal, that client may request an assignment that does not employ one or more of the typically accepted valuation methodologies. The request of a client to limit the scope of an assignment may come directly - or may be implied (an example of this being a lender client ordering a drive-by appraisal form 2055). However, it is ultimately up to the appraiser to determine what scope of work is appropriate to produce a credible appraisal result. Credibility in this instance refers to the appraisal's ability to relay the logic and evidence that were relied on in reaching the final value conclusion. This credibility is measured in the context of each assignment individually and may be influenced by such factors as availability of comparable data, intended use of the appraisal and the audience to which the appraisal may be disseminated. The Uniform Standards of Professional Appraisal Practice states that a scope of work is acceptable when it meets or exceeds: (a) the expectations of parties who are regularly intended users for similar assignments; and (b) the actions of an appraiser's peer in performing the same or a similar assignment.

The subject of this assignment is Single Family Residential. The report has been prepared for the sole use of Jackson/Teton County Affordable Housing Department to estimate the market value of the subject property. In consideration of the



Supplemental Addendum

File No. Barnes18-TCHA

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				

aforementioned property description and intended use, the appraiser, with the agreement of the client, has written an appraisal using the Sales Comparison Approach and Cost Approach. In doing so, the following duties were performed unless otherwise noted:

- The subject site and improvements were inspected.
- The interior and exterior of the subject improvements were inspected, and the improvements were sketched using the appraiser's measurements and Apex software.
- Specific data was gathered from Teton County MLS, the appraiser's database, grantors, grantees, lessors, lessees, local construction contractors, national cost services, realtors, appraisers, local investors, and public records regarding comparable sales. As Wyoming is a non-disclosure state, third-party sources were relied on for the confirmation of sales prices.
- FEMA flood maps were inspected through either the use of actual maps or on-line digital maps. Due to the limitations of these maps and the appraiser's lack of competency as a flood surveyor, this process should not be interpreted as guarantee of a property being in or out of a flood area.
- The comparables were inspected.
- Pertinent general data was gathered and analyzed.
- The culmination of the above-described process was the correlation of the available data into a value estimate.

Prior Service Disclosure Statement

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Market Conditions

Year End 2017

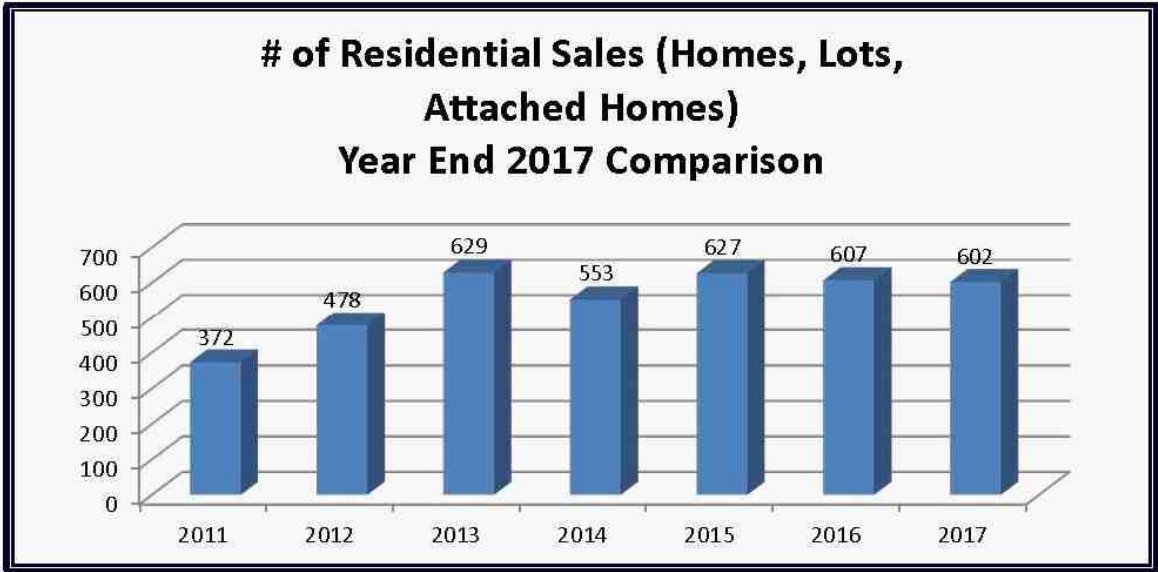
Limited Inventory Keeps Transaction Numbers Level, While Continuing Upward Pressure on Prices at a More Sustainable Rate

When viewing the residential real estate market as a composite of single-family homes, attached homes (condo/townhouse), and single-family homesites, the Teton County Real Estate Market is noted to have had roughly the same number of sales when comparing yearend data to that of the previous year. Real estate pricing showed continued appreciation during this period when viewing sales and resales of the same or similar properties. Such analysis showed annual appreciation rates for upper-end resort properties in the 3% to 5% range, with more moderately-priced properties showing rates in the 4% to 8% range. Existing appreciation trends were sometimes obscured when viewing composite market averages as fluctuations in the composition of sold inventories at times skewed this measure. Observed appreciation rates in the most recent year were less than those observed immediately after the post-recession market inflection in mid-2011. However, it is logical (and healthy) that pricing growth has moderated when considering the sustainability and long-term trajectory of the market.

Combined Statistics for Single-Family, Attached-Home & Vacant Land - Year End 2017 Comparison								
Year	2011	2012	2013	2014	2015	2016	2017	%Δ 2016-2017
# Sales - Local Market	169	208	334	254	283	285	290	1.75%
Dollar Volume Local Market	\$90,329,622.58	\$107,768,981.41	\$196,060,454.35	\$159,160,194.00	\$187,815,441.48	\$193,172,921.07	\$193,743,970.20	0.30%
Average Price Local Market	\$550,790.38	\$518,120.10	\$590,543.54	\$629,091.68	\$742,353.52	\$815,075.62	\$790,791.72	-2.98%
# Sales - Resort Market	203	270	295	299	344	322	312	-3.11%
Dollar Volume Resort Market	\$376,824,384.01	\$523,497,050.00	\$544,141,523.00	\$525,787,649.97	\$649,489,816.36	\$426,966,258.30	\$461,638,027.00	8.12%
Average Sale Price Resort Market	\$1,952,457.95	\$1,953,347.20	\$1,857,138.30	\$1,800,642.64	\$2,286,935.97	\$1,872,659.03	\$2,060,884.05	10.05%
Total Number Sales	372	478	629	553	627	607	602	-0.82%
Total Dollar volume	\$467,154,006.59	\$631,266,031.41	\$740,201,977.35	\$684,947,843.97	\$837,305,257.84	\$620,139,179.37	\$655,381,997.20	5.68%
Average Price	\$1,308,554.64	\$1,326,189.14	\$1,184,323.16	\$1,256,785.03	\$1,559,227.67	\$1,333,632.64	\$1,397,402.98	4.78%

Market Conditions

Combined Sales Through Year End 2017



Market Conditions

Single-Family Home Sales Trends

Single Family Home Sales - Year End 2017 Comparison								
Year	2011	2012	2013	2014	2015	2016	2017	%Δ 2016-2017
# Sales - Local Market	94	109	153	114	128	138	127	-7.97%
Dollar Volume Local Market	\$63,550,784.58	\$76,141,800.00	\$118,812,764.15	\$100,273,875.00	\$109,011,636.00	\$122,194,369.00	\$120,289,358.16	-1.56%
Average Price Local Market	\$706,119.83	\$698,548.62	\$781,662.92	\$879,595.39	\$973,318.18	\$1,035,545.50	\$1,103,572.09	6.57%
# Sales - Resort Market	89	112	127	120	119	144	133	-7.64%
Dollar Volume Resort Market	\$238,043,294.00	\$307,992,000.00	\$347,751,283.00	\$302,084,363.00	\$343,414,098.00	\$268,771,198.83	\$306,684,654.00	14.11%
Average Sale Price Resort Market	\$2,767,945.28	\$2,774,702.70	\$2,738,199.08	\$2,581,917.63	\$3,239,755.64	\$2,535,577.35	\$2,977,520.91	17.43%
Total Number Sales	183	221	280	234	247	282	260	-7.80%
Total Dollar volume	\$301,594,078.58	\$384,133,800.00	\$466,564,047.15	\$402,358,238.00	\$452,425,734.00	\$390,965,567.83	\$426,974,012.16	9.21%
Average Price	\$1,713,602.72	\$1,746,062.73	\$1,672,272.57	\$1,741,810.55	\$2,075,347.40	\$1,745,382.00	\$2,014,028.36	15.39%

The effects of a limited inventory of homes were seen in both the Local and Resort segments of the single-family home market with declines seen in number of sales for these segments in conjunction with increasing average prices. Tangible examples of this trend exist in both market segments, within an example in the Local Market being Cottonwood Park, where only eight sales were recorded in 2017 (with an average price of \$762,000), as compared to fifteen sales in 2016 ( with an average price of \$709,000). As a similar example in the Resort Market, only three sales were noted in the 3 Creek Ranch development in 2017, as compared with eight sales the previous year, while the average sales price in 3 Creek was noted to have increased over 30% in 2017 (although a limited reporting of sales prices and the small sample size likely causes this to be an inflated estimation of price growth). Also contributing to price growth in the Resort Market was recognition in the marketplace of the “Old Village” area surrounding the Jackson Hole Mountain Resort as a luxury property location. This area (Teton Village residences south of McCollister Road) had historically been observed as being comprised of older homes from the earliest generation of development at Jackson Hole Mountain Resort. However, the convenience of ski homes in this location combined with renovation, expansion and / or redevelopment of properties in these earlier filings of these Jackson Hole Ski Corporation lots lead to the average price of homes in this area increasing from approximately \$3.8MM in 2016 to \$5.3MM in 2017. This aggregated data can be construed to imply annual appreciation rates ranging from 7.5% to rates over 30% for various market segments. However, comparing sales and resales of properties from the time period of 2015 through 2017, a more reliable indication is that price growth is currently in the range of 3%-8% annually for single-family homes.



Market Conditions

Vacant Land Sales Trends

Vacant Land Sales - Year End 2017 Comparison								
Year	2011	2012	2013	2014	2015	2016	2017	%Δ 2016-2017
# Sales - Local Market	14	23	49	36	34	25	31	24.00%
Dollar Volume Local Market	\$5,375,422.00	\$8,288,050.00	\$18,024,986.00	\$12,938,500.00	\$14,195,650.00	\$8,764,500.00	\$12,009,136.04	37.02%
Average Price Local Market	\$413,494.00	\$360,350.00	\$375,520.54	\$369,671.43	\$473,188.33	\$486,916.67	\$522,136.35	7.23%
# Sales - Resort Market	49	77	75	87	108	74	96	29.73%
Dollar Volume Resort Market	\$81,133,590.01	\$137,017,750.00	\$112,418,500.00	\$144,491,251.00	\$149,787,600.00	\$74,079,500.00	\$80,444,673.00	8.59%
Average Sale Price Resort Market	\$1,886,827.67	\$1,802,865.13	\$1,539,979.45	\$1,720,133.94	\$1,970,889.47	\$1,851,987.50	\$1,489,716.17	-19.56%
Total Number Sales	63	100	124	123	142	99	127	28.28%
Total Dollar volume	\$86,509,012.01	\$145,305,800.00	\$130,443,486.00	\$157,429,751.00	\$163,983,250.00	\$82,844,000.00	\$92,453,809.04	11.60%
Average Price	\$1,544,803.79	\$1,467,735.35	\$1,078,045.34	\$1,322,939.08	\$1,547,011.79	\$1,428,344.83	\$1,200,698.82	-15.94%

Vacant land sales were up in number for both the Local and Resort Market in 2017 as compared to the preceding year. Average price for the local market showed an annual increase of 7.23% which, despite the sometimes limited accuracy of this metric, is actually a reasonable representation of price growth in this market segment (based on the comparison of sales and resales of identical properties during the 2015-2017 time periods). The average price of lots in the resort segment showed a significant decline of over 19% percent when viewing the composite average of this market. However, this is directly in contradiction to the observation of sale / re-sale “paired sales,” which showed continued price growth in the market for second home and resort-oriented lots. A noted contributing factor to the counterintuitive drop in average pricing was the market’s embracing of the more moderately-priced Saddle Butte Heights development (average price of approximately \$1,150,000). This development saw four sales in 2017, compared to only one the previous year. While the increase in sales volume is certainly an indicator of market health, the lower price points in this development did serve to dilute the overall average price of resort properties despite an overall increasing price trend in the market segment. The lack of inventory in developments such as Granite Ridge at the base of the Jackson Hole Mountain Resort also influenced average pricing downward, with only two lots in this development having sold in 2017 as compared to four the preceding year. Prices for Granite Ridge lots often exceed \$3MM, and no lots were available in this development at the time of the writing of this report.

Market Conditions

Attached Home Sales Trends

Attached Home Sales - Year End 2017 Comparison								
Year	2011	2012	2013	2014	2015	2016	2017	%Δ 2016-2017
# Sales - Local Market	61	76	132	104	121	122	132	8.20%
Dollar Volume Local Market	\$21,403,416.00	\$23,339,131.41	\$59,222,704.20	\$45,947,819.00	\$64,608,155.48	\$62,214,052.07	\$61,445,476.00	-1.24%
Average Price Local Market	\$350,875.67	\$307,093.83	\$448,656.85	\$441,805.95	\$582,055.45	\$615,980.71	\$543,765.27	-11.72%
# Sales - Resort Market	65	81	93	92	117	104	83	-20.19%
Dollar Volume Resort Market	\$57,647,500.00	\$78,487,300.00	\$83,971,740.00	\$79,212,035.97	\$156,288,118.36	\$84,115,559.47	\$74,508,700.00	-11.42%
Average Sale Price Resort Market	\$900,742.19	\$968,979.01	\$902,921.94	\$870,461.93	\$1,532,236.45	\$1,025,799.51	\$1,112,070.15	8.41%
Total Number Sales	126	157	225	196	238	226	215	-4.87%
Total Dollar volume	\$79,050,916.00	\$101,826,431.41	\$143,194,444.20	\$125,159,854.97	\$220,896,273.84	\$146,329,611.54	\$135,954,176.00	-7.09%
Average Price	\$632,407.33	\$648,576.00	\$636,419.75	\$641,845.41	\$1,037,071.71	\$799,615.36	\$755,300.98	-5.54%

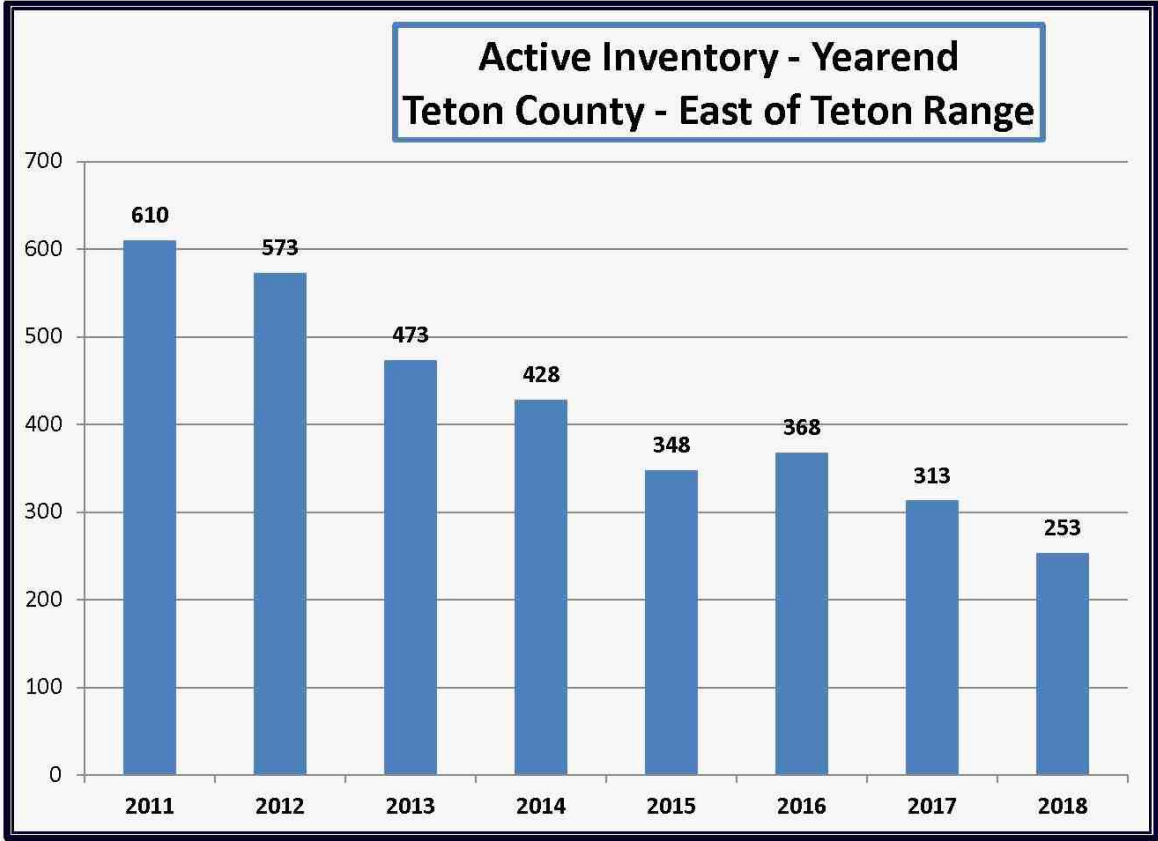
When compared to the previous year, attached home sales (condo / townhouse) decreased in number of sales in 2017 by just under 5%, with this change being the composite of an increase in sales numbers for the Local Market of 8.2% and an over 20% decrease in the number of Resort Market sales. The average price measure for both of these markets was inverse to their sales volume, with the Local Market price average declining by over 11% and the average price of Resort Market Attached homes increasing by almost 9%. As with the other property types, these average price indications were primarily indicative of a change in the type of unit available for sale, with the real price trend being most accurately measured through the observation of sales and resales of the same unit. Such a sale and resale analysis was undertaken for attached home for the period of 2015-2017, with the noted appreciation for this market segment being greater than that of the single-family home and homesite categories. More specifically, this analysis indicated an average appreciation rate by 15 comparisons of over 9% annually. However, excluding comparisons that had an initial sale in 2015 (thereby focusing the analysis on the most recent trend data), a more moderate annual appreciation rate in the 6% range was estimated. As a point of interest, the likely reason for the average price decreasing in the aggregated data was likely due to an increase in volume of several lower-priced developments such as Meadowbrook, and the introduction of the “Virginian Apartments” as individual for-sale units (with their previously having been workforce housing rental units).

Market Conditions

Inventory Levels

Yearend Inventory Snapshot - 8 Year Record - Beginning of Year Shapshot																		
		2011		2012		2013		2014		2015		2016		2017		2018		%Δ
Type	Area	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	
SFR	Teton Village	10	\$5,728,500	13	\$8,290,769	7	\$3,897,857	7	\$3,820,000	5	\$5,568,000	5	\$8,289,000	7	\$6,862,857	9	\$9,055,000	28.57%
SFR	West Bank	77	\$3,405,416	84	\$3,483,011	71	\$3,447,958	63	\$4,195,905	41	\$3,708,634	45	\$3,797,109	42	\$4,985,345	41	\$4,352,293	-2.38%
SFR	Buttes and North	70	\$4,281,911	50	\$4,482,400	53	\$4,701,430	40	\$4,197,088	34	\$4,739,324	39	\$4,626,459	36	\$5,026,164	39	\$5,127,692	8.33%
SFR	Town and South Park	87	\$1,701,477	76	\$1,531,491	49	\$2,012,883	35	\$1,865,077	40	\$2,161,448	52	\$1,863,976	36	\$1,928,889	39	\$2,711,313	8.33%
		2011		2012		2013		2014		2015		2016		2017		2018		
Type	Area	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	
COTH	Teton Village	66	\$1,505,983	54	\$1,328,350	31	\$1,752,742	34	\$1,417,824	43	\$1,325,709	36	\$1,249,367	22	\$1,534,409	11	\$2,118,636	-50.00%
COTH	West Bank	21	\$761,143	17	\$548,794	11	\$592,273	11	\$748,591	11	\$826,455	11	\$749,273	4	\$870,500	11	\$816,727	175.00%
COTH	Buttes and North	6	\$1,020,500	13	\$796,712	10	\$809,375	8	\$809,000	7	\$848,143	7	\$898,714	5	\$869,800	0	\$0	-100.00%
COTH	Town and South Park	76	\$485,849	73	\$486,127	42	\$596,683	32	\$518,134	19	\$801,047	34	\$866,129	20	\$519,965	16	\$1,296,438	-20.00%
		2011		2012		2013		2014		2015		2016		2017		2018		
Type	Area	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	
Land	Teton Village	14	\$2,965,000	18	\$3,434,750	13	\$2,730,000	17	\$2,715,588	12	\$2,622,500	9	\$2,778,333	5	\$3,373,000	5	\$4,200,000	0.00%
Land	West Bank	44	\$2,816,864	35	\$2,638,111	39	\$2,820,744	36	\$2,054,528	29	\$2,373,862	23	\$3,865,000	24	\$2,951,042	20	\$4,024,200	-16.67%
Land	Buttes and North	65	\$3,511,523	70	\$3,394,563	77	\$2,807,927	69	\$3,025,716	55	\$4,281,568	69	\$4,064,397	71	\$3,854,225	54	\$4,227,148	-23.94%
Land	Town and South Park	74	\$1,087,505	70	\$1,126,933	70	\$1,146,899	76	\$1,941,230	52	\$2,308,202	38	\$1,434,132	41	\$1,192,707	8	\$1,860,375	-80.49%
Total Inventory		610		573		473		428		348		368		313		253		-19.17%

Market Conditions



The preceding table arrays yearend snapshot of inventory levels for the past 8 years. Inventory levels continue to remain low and are frequently cited by agents as a stagnating factor for sales volume levels. As shown by the preceding data, the combined inventory of single-family homes, attached homes, and vacant land listed for sale was approximately 19% lower at the beginning of 2018 than this time last year, with limited inventory likely to be a factor for the foreseeable future.



Market Conditions Data

Property Name (PIDN)	Sales Date	Sale Price	Address		Appreciation	Months Between Sales	Average Monthly Price Change
22-39-16-01-3-00-012	1/30/2014	\$1,675,000.00	7955 S	Eagle Ranch Rd			
22-39-16-01-3-00-012	8/10/2016	\$2,350,000.00	7955 S	Eagle Ranch Road	40.30%	30.34	1.33%
22-39-16-26-2-02-003	5/14/2015	\$482,500.00	1615 E	J-W Dr			
22-39-16-26-2-02-003	8/19/2016	\$549,000.00	1615 E	J-W Drive	13.78%	15.22	0.91%
22-40-16-06-2-50-037	10/27/2014	\$477,500	1862	Josephine Loop			
22-40-16-06-2-50-024	12/16/2015	\$490,000	1835	Josephine Loop	2.62%	13.64	0.19%
22-39-16-27-4-02-009	4/13/2014	\$839,000.00	1255 E	Moose Dr			
22-39-16-27-4-02-009	11/17/2016	\$977,000.00	1255 E	Moose Drive	16.45%	31.20	0.53%
22-40-16-20-2-02-042	6/20/2013	\$600,000	1115	Melody Creek Ln			
22-40-16-20-2-02-042	9/27/2015	\$850,000	1115	Melody Creek Ln	41.67%	27.25	1.53%
22-40-16-06-2-13-003	4/23/2015	\$615,000.00	2036	Dandelion Ct			
22-40-16-06-2-13-003	10/3/2016	\$650,000.00	2036	Dandelion Court	5.69%	17.39	0.33%
22-41-16-32-4-26-039	7/15/2013	\$378,400	1070	Elk Run Ln 55			
22-41-16-32-4-26-039	10/11/2015	\$525,000	1070	Elk Run Ln 55	38.74%	26.89	1.44%
22-41-16-32-4-31-014	4/30/2015	\$250,000	750	Powderhorn Ln D2			
22-41-16-32-4-31-033	1/13/2016	\$264,000	750	Powderhorn Ln I-1	5.60%	8.48	0.66%
22-41-16-33-1-65-021	6/16/2013	\$1,100,000	270 W	Pearl Ave #302			
22-41-16-33-1-65-021	10/29/2015	\$1,465,800	270 W	Pearl Avenue # 302	33.25%	28.44	1.17%
22-41-16-34-1-93-002	10/28/2014	\$375,000	518 E	Kelly Ave #2			
22-41-16-34-1-93-002	11/3/2015	\$429,500	518 E	Kelly Avenue #2	14.53%	12.20	1.19%
22-41-16-27-3-04-008	9/17/2014	\$1,600,000	255	Moran St			
22-41-16-27-3-04-008	10/13/2015	\$2,200,000	255	Moran Street	37.50%	12.85	2.92%
22-42-16-27-4-13-005	9/2/2014	\$1,125,000	833	Arnica Ct			
22-42-16-27-4-13-005	6/3/2015	\$1,250,000	833	Arnica Court	11.11%	9.01	1.23%
22-40-16-06-2-14-011	6/15/2014	\$498,000.00	2011	Wildflower Ct			
22-40-16-06-2-14-011	9/30/2016	\$585,000.00	2011	Wildflower Court	17.47%	27.55	0.63%
22-42-17-25-1-03-018	10/21/2013	\$4,325,000	6700	Cold Springs Rd			
22-42-17-25-1-03-018	10/7/2015	\$5,500,000	6700	Cold Springs Rd	27.17%	23.54	1.15%
22-40-16-17-2-09-030	4/11/2013	\$274,900.00	3355 S	Tensleep Dr #30			
22-40-16-17-2-09-030	2/19/2015	\$429,000.00	3355 S	Tensleep Dr #30	56.06%	22.32	2.51%

Market Conditions Data

22-42-17-24-4-31-040	3/10/2014	\$716,000.00	3385	Village Dr #230			
22-42-17-24-4-31-041	12/21/2015	\$765,000.00	3385	Village Dr #230	6.84%	21.40	0.32%
22-40-16-20-1-13-007	2/19/2014	\$1,150,000.00	700	Palomino Dr			
22-40-16-20-1-13-007	4/13/2017	\$1,550,000.00	700	Palomino Dr	34.78%	37.77	0.92%
22-42-17-24-1-03-008	5/13/2015	\$2,800,000.00	3091	Arrowhead Rd			
22-42-17-24-1-03-008	9/7/2017	\$3,200,000.00	3091	Arrowhead Rd	14.29%	27.88	0.51%
22-42-17-24-1-12-004	4/2/2015	\$2,700,000.00	3086	Garnet Rd			
22-42-17-24-1-12-004	6/27/2016	\$3,280,000.00	3086	Garnet Rd	21.48%	14.86	1.45%
22-42-17-24-1-12-007	3/26/2015	\$2,900,000.00	3098	Garnet Rd			
22-42-17-24-1-12-007	3/2/2017	\$3,775,000.00	3098	Garnet Rd	30.17%	23.24	1.30%
22-42-17-25-1-03-007	3/25/2015	\$3,650,000.00	6775	Last Chance Rd			
22-42-17-25-1-03-007	1/10/2017	\$4,000,000.00	6775	Last Chance Rd	9.59%	21.60	0.44%
22-41-17-11-4-24-003	8/19/2015	\$1,080,000.00	3447	Boxelder Ln			
22-41-17-11-4-24-003	3/23/2017	\$1,265,000.00	3447	Boxelder Ln	17.13%	19.13	0.90%
22-40-17-35-2-06-010	6/23/2015	\$1,490,000.00	4475	Bronco Rd			
22-40-17-35-2-06-010	8/9/2017	\$1,990,000.00	4475	Bronco Rd	33.56%	25.58	1.31%
22-42-16-28-1-12-003	11/2/2015	\$4,400,000.00	6580	Vista Ln			
22-42-16-28-1-12-003	4/7/2017	\$5,900,000.00	6580	Vista Ln	34.09%	17.16	1.99%

Subject Photos

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				



Subject Front

4307 S Sage Meadow Rd  
Sales Price  
Gross Living Area 1,115  
Total Rooms 5  
Total Bedrooms 2  
Total Bathrooms 1  
Location Suburban  
View Mtns/Res./Good  
Site 0.10 ac  
Quality Average (+)  
Age 19



Subject Rear



Subject Street



Subject Photos

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				



Subject Rear

4307 S Sage Meadow Rd  
Sales Price  
Gross Living Area 1,115  
Total Rooms 5  
Total Bedrooms 2  
Total Bathrooms 1  
Location Suburban  
View Mtns/Res./Good  
Site 0.10 ac  
Quality Average (+)  
Age 19



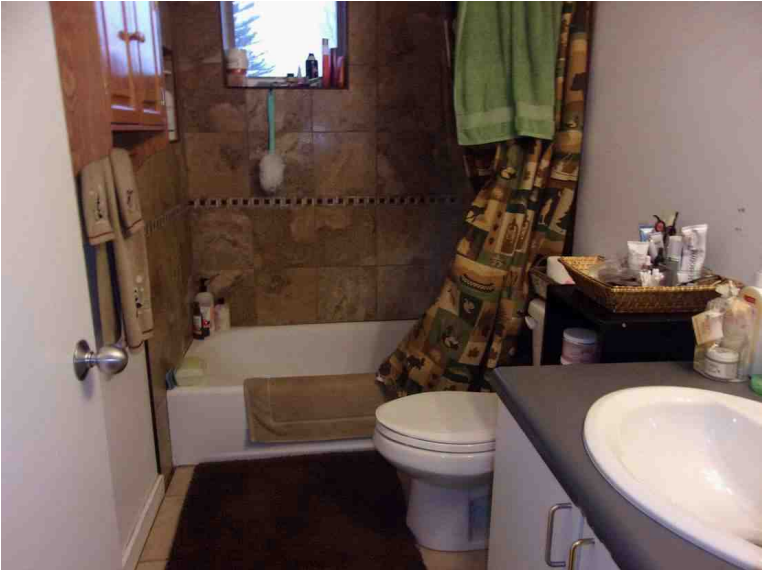
Subject Bedroom



Subject Bedroom

Subject Photo Page

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				



Subject Bedroom/Laundry

4307 S Sage Meadow Rd  
Sales Price  
Gross Living Area 1,115  
Total Rooms 5  
Total Bedrooms 2  
Total Bathrooms 1  
Location Suburban  
View Mtns/Res./Good  
Site 0.10 ac  
Quality Average (+)  
Age 19



Subject Living Room



Subject Kitchen

Subject Photo Page

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				



Subject Loft/Office

4307 S Sage Meadow Rd	
Sales Price	
Gross Living Area	1,115
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	1
Location	Suburban
View	Mtns/Res./Good
Site	0.10 ac
Quality	Average (+)
Age	19



Subject Aerial



Comparable Photos 1-3

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				



Comparable 1

790 Wind River Ln	
Prox. to Subject	0.22 miles W
Sales Price	545,000
Gross Living Area	1,392
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	2.0
Location	Suburban
View	Mtns/Res./Good
Site	0.07 ac
Quality	Average (+)
Age	21



Comparable 2

3425 S Shorthorn Dr	
Prox. to Subject	0.99 miles NW
Sales Price	665,000
Gross Living Area	1,085
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	2.0
Location	Suburban
View	Mtn/Res/Good
Site	0.25 ac
Quality	Average (+)
Age	37



Comparable 3

3355 S Ten Sleep Dr Apt 2	
Prox. to Subject	1.27 miles NW
Sales Price	599,500
Gross Living Area	1,040
Total Rooms	4
Total Bedrooms	2
Total Bathrooms	2.0
Location	Suburban
View	Mtn/Res/Good
Site	0.05 ac
Quality	Average (+)
Age	37

Comparable Photos 4-6					
Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				



Comparable 4

2042 Corner Creek Ln  
Prox. to Subject 3.37 miles NW  
Sales Price 607,500  
Gross Living Area 1,098  
Total Rooms 5  
Total Bedrooms 2  
Total Bathrooms 2.0  
Location Suburban  
View Mtn/Res/Good  
Site 0.2 ac  
Quality Average (+)  
Age 32



Comparable 5

1895 W Cinnamon Teal Rd  
Prox. to Subject 1.71 miles NW  
Sales Price 660,000  
Gross Living Area 1,248  
Total Rooms 5  
Total Bedrooms 3  
Total Bathrooms 2.0  
Location Suburban  
View Mtn/Res/Good  
Site 0.11 ac  
Quality Average (+)  
Age 23



Comparable 6

1254 Lewis Way  
Prox. to Subject 3.79 miles NW  
Sales Price 596,500  
Gross Living Area 1,172  
Total Rooms 5  
Total Bedrooms 2  
Total Bathrooms 2.0  
Location Suburban  
View Mtn/Res/Good  
Site 0.05 ac  
Quality Average (+)  
Age 8



Location Map

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				



## Flood Map

Borrower	N/A						
Property Address	4307 S Sage Meadow Rd						
City	Jackson	County	Teton	State	WY	Zip Code	83001
Lender/Client	Jackson/Teton County Affordable Housing Department						





## Plat Map

Borrower	N/A						
Property Address	4307 S Sage Meadow Rd						
City	Jackson	County	Teton	State	WY	Zip Code	83001
Lender/Client	Jackson/Teton County Affordable Housing Department						



**STEPHEN H. BARCLAY**

**ROCKY MOUNTAIN APPRAISALS**  
**PO Box 9488**  
**JACKSON, WY 83002**  
**(307) 733-7799**  
[sbarclay@rmappraisals.com](mailto:sbarclay@rmappraisals.com)

<b>EDUCATION</b>	<b>OBRIEN SCHOOL OF APPRAISAL</b> , Salt Lake City, UT Courses 101-104, 2003  <b>BRIGHAM YOUNG UNIVERSITY</b> , Provo, UT Business Management, 1999-2001  <b>RICKS COLLEGE</b> , Rexburg, ID Ag. Business Minor, 1995-1998
<b>PROFESSIONAL LICENSES</b>	Wyoming Certified Appraiser (Permit No. 938)
<b>PROFESSIONAL EXPERIENCE</b>	<b>APPRAISER</b> , Rocky Mountain Appraisals, Jackson, WY 2003 – Present  <b>CONSULTANT</b> , Nordic Track, Salt Lake City, UT 2002-2003
<b>LANGUAGES</b>	<b>SPANISH</b> Speak, read and write fluently
<b>APPRAISAL EDUCATION</b>	<b>APPRAISAL INSTITUTE</b> USPAP 12/22/2013 Environmental Issues for Appraisers 12/23/2013 The nuts and bolts of green building for appraisers 12/24/2013 Heating, Ventilation and Air Conditioning Systems in Green Buildings 04/06/2015 Essential Elements of Disclosures and Disclaimers 04/11/2015 Relocation Appraisal and the ERC Form 04/18/2015

License Number 938

NON TRANSFERABLE

CERTIFIED REAL ESTATE APPRAISER PERMIT

Issued: 01/07/2018  
Expires: 01/06/2020

STEPHEN H BARCLAY  
CERTIFIED RESIDENTIAL APPRAISER  
AS PROVIDED FOR BY THE LAWS OF WYOMING.

ROCKY MOUNTAIN APPRAISALS  
PO BOX 9488  
JACKSON, WY 83001

AUTHORIZED BY THE WYOMING CERTIFIED  
REAL ESTATE APPRAISER BOARD  
WITNESS MY HAND AND THE  
OFFICIAL SEAL AT CHEYENNE, WYOMING.



Nicole Novotny Smith Executive Director

### Appraiser's Certification

I certify that to the best of my knowledge and belief:

1. The statements of fact in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased professional analysis, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved with this assignment.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. Stephen Barclay made a personal inspection of the property that is the subject of this report.
11. The office of Rocky Mountain Appraisals has not performed a previous appraisal of the subject property within the three years prior to this assignment.

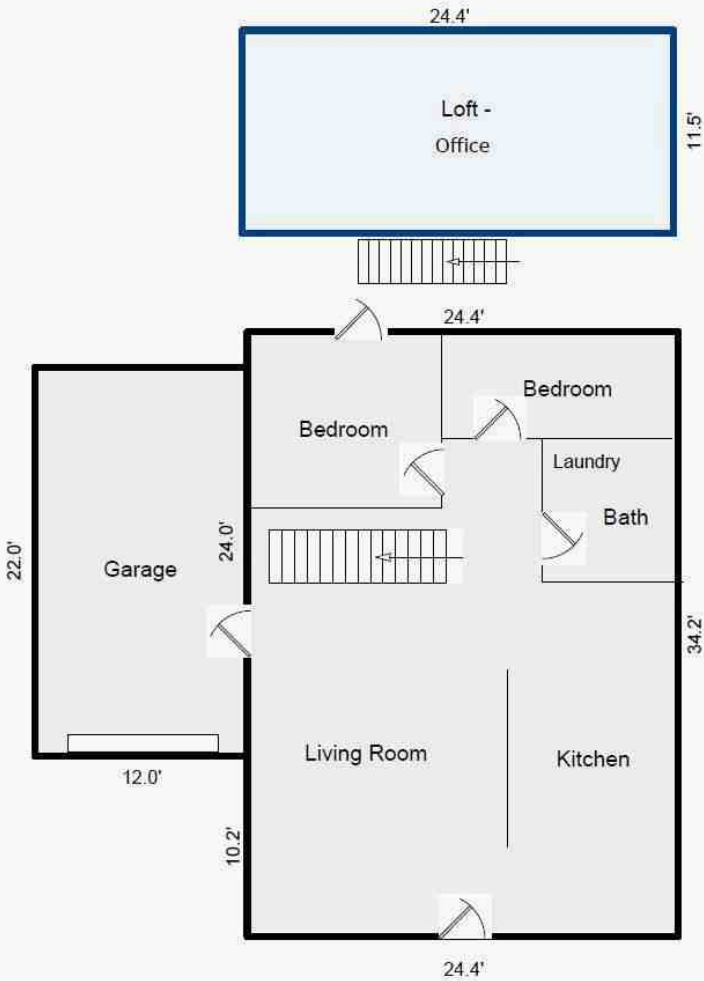


Steve Barclay  
Certified Residential Real Estate Appraiser  
Wyoming Permit No. 938

Building Sketch

Borrower	N/A				
Property Address	4307 S Sage Meadow Rd				
City	Jackson	County	Teton	State	WY Zip Code 83001
Lender/Client	Jackson/Teton County Affordable Housing Department				

IMPROVEMENTS SKETCH



Comments:

AREA CALCULATIONS

Scale: 1 = 10

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	834.5	
	Second Floor	280.6	1115.1
GAR	Garage	264.0	264.0
Net LIVABLE Area		(rounded)	1115

LIVING AREA BREAKDOWN			Subtotals
Breakdown			
First Floor			
	34.2 x 24.4		834.5
Second Floor			
	24.4 x 11.5		280.6
2 Items		(rounded)	1115

**ADDENDUM TO GROUND LEASES**  
**(REDMOND STREET RENTALS PROJECT)**

THIS ADDENDUM TO GROUND LEASES (this “**Addendum**”) is entered into as of December \_\_, 2018 (“**Effective Date**”), by and between Redmond Street Rentals LLC, a Wyoming limited liability company (“**RSR**”), the Jackson/Teton County Housing Authority (the “**Housing Authority**”), and the Town of Jackson, a Wyoming municipal corporation (the “**Town**”).

**RECITALS**

WHEREAS, RSR is wholly-owned by the Jackson Hole Community Housing Trust (the “**JHCHT**”), a Wyoming 501(c)(3) tax exempt organization organized exclusively for charitable purposes, including, but not limited to, the provision, management and administration of affordable housing in Teton County, Wyoming and lessening the burden of government;

WHEREAS, the Housing Authority and RSR entered into that certain Ground Lease, dated April 10, 2017, whereby the Housing Authority leased to RSR that certain real property described as Lot 1 of the James G. and Julia L. Scarlet Addition Second Filing to the Town of Jackson, Plat No. 1316 (the “**Housing Authority Lot**”), together with all rights, privileges and appurtenances thereto, but exclusive of any improvements (the “**Housing Authority Ground Lease**”);

WHEREAS, the Town and RSR entered into that certain Ground Lease, dated March 20, 2017, whereby the Town leased to RSR that certain real property described as Lot 3, Lot 4 and Lot 6 of the James G. and Julia L. Scarlet Addition Second Filing to the Town of Jackson, Plat No. 1316 (the “**Town Lots**”), together with all rights, privileges and appurtenances thereto, but exclusive of any improvements (the “**Town Ground Lease**,” and together with the Housing Authority Ground Lease, the “**Ground Leases**”);

WHEREAS, RSR, in accordance with the Ground Leases, that certain Agreement with the Jackson/Teton County Housing Authority Regarding Redmond Street Rental Project, dated April 10, 2017, and that certain Agreement with the Town of Jackson Regarding Redmond Street Rental Project, dated March 20, 2017 (collectively, the “**Governing Documents**”), has completed the development and construction of permanently restricted affordable rental units on the Housing Authority Lot and the Town Lots (the “**Redmond Street Rental Project**”);

WHEREAS, now that the development and construction of the Redmond Street Rental Project is complete and all certificates of occupancy have been obtained, RSR (i) is the owner of twenty-eight (28) permanently restricted affordable rental units (the “**Rental Units**”) on the Housing Authority Lot and the Town Lots subject to the Ground Leases, (ii) is the borrower under the Loan (as defined in the Ground Leases) and the mortgagor under the Leasehold Mortgage (as defined in the Ground Leases), which Loan is guaranteed by the JHCHT; and (iii) so long as the Leasehold Mortgage is outstanding or JHCHT is the guarantor of the Loan secured thereby, is solely obligated under the Governing Documents to manage, operate and maintain the Redmond Street Rental Project in accordance with the terms thereof; and

WHEREAS, RSR entered into three leases with non-profit entities for three separate Rental Units for a lease term of fifteen (15) years each (the “**Long-Term Leases**”), in exchange for the



upfront payment by each non-profit entity to RSR of an amount representing fifteen (15) years of rental payments under each such lease (the “**Lease Price**”); and

WHEREAS, in light of the foregoing, the parties hereto desire to clarify and confirm certain provisions contained in the Ground Leases.

#### **AGREEMENT**

NOW THEREFORE, for and in consideration of the foregoing recitals, which are hereby incorporated into this Addendum, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, RSR, the Housing Authority and the Town agree as follows:

1. Definitions. All capitalized terms utilized in this Addendum and not defined herein shall have the meanings ascribed to them in the Ground Leases.

2. Establishment of Project Percentages. For purposes of Section 2.3(b) of the Ground Leases, the “Project Percentage” of each of RSR, the Housing Authority and the Town as of the Effective Date of this Agreement are as follows:

RSR:	43.10%
Housing Authority:	27.39%
Town of Jackson:	29.51%

On an annual basis as part of the reporting required in Section 2.4(d) of the Ground Leases, each party hereto will have the opportunity to submit documentation to the other parties hereto in support of an adjustment to the Project Percentages. Any adjustments to Project Percentages must be mutually agreed upon the parties hereto. The parties agree that after RSR fulfills its performance obligations under its lease to the Teton County Library Foundation (“**TCLF**”), which is expected to occur in 2033, the Lease Price paid by TCLF to RSR will be included in the Project Percentage of RSR.

3. Provisions Regarding Long-Term Leases. The parties agree as follows with respect to the Long-Term Leases:

a. RSR contributed the Lease Price paid to RSR under each Long-Term Lease to the Redmond Street Rental Project for the purpose of reducing the balance outstanding under the construction loan, and the Lease Prices are therefore included in the Project Percentage of RSR stated above, except for the Lease Price paid by TCLF which shall be included in the Project Percentage of RSR at a later date as described above in Section 2.

b. No Long-Term Lease may be renewed, and no new Long-Term Leases shall be entered into, without the prior written approval of the Housing Authority, the Town and RSR.

c. The parties hereto acknowledge that the current term of the Loan is twenty-five (25) years, and Section 2.3(b) of the Ground Leases provides that upon the satisfaction in full of the Leasehold Mortgage, the Town, the Housing Authority and RSR will begin to receive an

annual lease fee payment from the Redmond Street Rental Project in an amount equal to each such party's "pro rata portion of net rents" generated from the Redmond Street Rental Project as described therein. Therefore, if the Loan is prepaid in full prior to the expiration of the term of the Long-Term Leases, the parties hereto agree that the Town and the Housing Authority shall receive, in addition to their annual lease fee, an additional amount of "net rents" (as defined in Section 2.3 of the Ground Leases) to account for the loss in rental revenue from the Rental Units still subject to the Long-Term Leases (the "**Adjustment Amount**"). The Adjustment Amount shall be calculated by multiplying (i) the number of months remaining in the terms of the Long-Term Leases as of the date the Loan is prepaid in full, by (ii) the then current monthly amount of "net rents" generated by Rental Units that are comparable in size to the Rental Units subject to the Long-Term Leases. The Adjustment Amount shall be payable in equal monthly installments over the remaining term of the Long-Term Leases.

4. Contributions to the Redmond Street Rental Project. The parties agree as follows regarding certain categories of contributions a party may make to the Redmond Street Rental Project and the effect of those contributions on the Project Percentages:

a. *Operations:* RSR's payment of operational expenses related to the Redmond Street Rental Project shall not be included in the calculation of Project Percentages, unless the expense arises from a revision to RSR's management obligations mandated by either the Town or the Housing Authority (e.g., the Housing Authority requires monthly, rather than annual, reporting), and so long as the Town, Housing Authority, and RSR all agree to the expense being included in the calculation of Project Percentages. On the other hand, if the Town or the Housing Authority contribute to the payment of operational expenses related to the Redmond Street Rental Project (which they are under no obligation to do until the Loan is paid in full), the amount of such contributions shall be included in the calculation of Project Percentages for the benefit of the party making such contribution, so long as the Town, Housing Authority, and RSR all agree to the expense being included in the calculation of Project Percentages.

b. *Capital Improvements.* If any party hereto makes a capital investment to the Redmond Street Rental Project that is above and beyond the funding available in the reserve fund and not included in the activities anticipated in the then current reserve fund schedule (e.g., finishing out the basements in the Rental Units), the amount of such capital investment shall be included in the calculation of Project Percentages for the benefit of the party making such contribution, so long as the Town, Housing Authority, and RSR all agree to the investment being included in the calculation of Project Percentages.

c. *Debt Service Acceleration.* If any party hereto contributes funds to the Redmond Street Rental Project for the purpose of accelerating the repayment of the Loan, the amount of such funds shall be included in the calculation of Project Percentages for the benefit of the party making such contribution, so long as the Town, Housing Authority, and RSR all agree to the contribution being included in the calculation of Project Percentages. The parties hereto acknowledge that the prepayment of the Loan may result in prepayment penalties.

5. Surplus; Deficit. So long as the Leasehold Mortgage is outstanding or JHCHT is the guarantor of the Loan secured thereby, RSR is obligated to manage, operate and maintain, at

its sole cost and expense, the Redmond Street Rental Project in accordance with the terms of the Governing Documents.

a. *Surplus.* During such period, RSR shall have sole responsibility and discretion regarding the use of all funds, including any surplus funds, generated by the Redmond Street Rental Project. Also, during such period: (i) RSR may distribute surplus funds to the JHCHT and the Project Percentages shall not be adjusted, and (ii) RSR may contribute surplus funds to the Redmond Street Rental Project for any category described in Section 4 above, so long as the Town, Housing Authority, and RSR all agree to the contribution being included in the calculation of Project Percentages.

b. *Deficit.* During such period, RSR bears full responsibility to fund any deficit that occurs with respect to the costs of the management, operations and maintenance of the Redmond Street Rental Project (which for the avoidance of doubt includes debt service on the Loan and funding the reserves).

6. Continued Effectiveness of Terms of Agreement. Except as expressly modified in this Addendum, the terms and conditions contained in the Ground Leases shall remain unmodified and in full force and effect. In the event of any conflict between the terms in this Addendum and the terms of any Governing Document, the terms of this Addendum shall control.

7. Counterpart Signatures. This Addendum may be executed in any number of counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute one agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed as of the Effective Date.

**RSR:**

**Redmond Street Rentals, LLC,  
a Wyoming nonprofit corporation**

By: Jackson Hole Community Housing Trust, a  
Wyoming nonprofit corporation, its Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF WYOMING                    )  
                                                  ) ss.  
COUNTY OF TETON                    )

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, as Officers of the Jackson Hole Community Housing Trust, a Wyoming nonprofit corporation, as the Manager of Redmond Street Rentals LLC, a Wyoming limited liability company, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires:

**Housing Authority:**

The foregoing Agreement is hereby accepted by the Jackson/Teton County Housing Authority this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

JACKSON/TETON COUNTY HOUSING AUTHORITY

\_\_\_\_\_  
Matt Faupel, Chairman

Attest: \_\_\_\_\_  
Danielle Goldyn-Haigh, Clerk

**Affirmed and Approved By:**

JACKSON TOWN COUNCIL

\_\_\_\_\_  
Pete Muldoon, Mayor

Attest: \_\_\_\_\_  
Sandy Birdyshaw, Jackson Town Clerk

**Affirmed and Approved By:**

TETON COUNTY BOARD OF COUNTY COMMISSIONERS

\_\_\_\_\_  
Mark Newcomb, Chairman

Attest: \_\_\_\_\_  
Sherry Daigle, Teton County Clerk

STATE OF WYOMING                    )  
                                                  ) ss.  
COUNTY OF TETON                    )

The foregoing instrument was acknowledged before me by Matt Faupel and Danielle Goldyn-Haigh, Chairman and Clerk, respectively, of the Jackson/Teton County Housing Authority, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF WYOMING                    )  
                                                  ) ss.  
COUNTY OF TETON                    )

The foregoing instrument was acknowledged before me by Pete Muldoon and Sandy Birdyshaw, Mayor and Town Clerk, respectively, of the Jackson Town Council, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF WYOMING                    )  
                                                  ) ss.  
COUNTY OF TETON                    )

The foregoing instrument was acknowledged before me by Mark Newcomb and Sherry Daigle, Chairman and Teton County Clerk, respectively, of the Teton County Board of County Commissioners, this \_ day of \_\_\_\_\_, 20\_\_\_\_.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

**Town of Jackson:**

JACKSON TOWN COUNCIL

\_\_\_\_\_  
Pete Muldoon, Mayor

Attest: \_\_\_\_\_  
Sandy Birdyshaw, Jackson Town Clerk

STATE OF WYOMING                    )  
                                                  ) ss.  
COUNTY OF TETON                    )

The foregoing instrument was acknowledged before me by Pete Muldoon and Sandy Birdyshaw, Mayor and Town Clerk, respectively, of the Jackson Town Council, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

## **COMMERCIAL LEASE AGREEMENT FOR THE GROVE**

(Teton County Housing Authority / Healing Waters Therapeutic Float Center, LLC)

This Commercial Lease Agreement ("Lease") is made effective on the date of the last signature affixed hereto by and between the Teton County Housing Authority ("TCHA"), a duly constituted Housing Authority established by Teton County, Wyoming, pursuant to W.S. 15-10-116, as amended, with an address of P.O. Box 714, Jackson, Wyoming, 83001 (hereinafter sometimes referred to as the "Landlord"), or its assigns, and Healing Waters Therapeutic Float Center, LLC, a Wyoming limited liability company, 357 Daytona Drive, Rock Springs, WY 82901 (hereinafter referred to as the "Tenant").

### **RECITALS**

WHEREAS, TCHA owns the real property and improvements thereon located at 250 Scott Lane, otherwise known as "The Grove" on the first floor level, which are identified as Suites 101, 105, and 110 Jackson, Wyoming (collectively hereafter "Owner's Property"), which is more particularly described as:

PT NW1/4SW1/4, SEC 33, TWP 41, RNG 116. ADJUSTED TRACT 18A,  
Town of Jackson, Teton County, Wyoming, and

WHEREAS, TCHA desires to lease the commercial suite 105 (the "Leased Property"), to Healing Waters Therapeutic Float Center, LLC, for the purpose of collecting rental income; and

WHEREAS, TCHA and Healing Waters Therapeutic Float Center, LLC desire to enter into this written lease agreement defining all rights, duties, and liabilities of the parties.

NOW THEREFORE, in consideration of the mutual covenants contained in this written agreement, the parties agree as follows:

#### **1. AGREEMENT TO LEASE & DESCRIPTION OF LEASED PROPERTY.**

Landlord agrees to lease to Tenant, and Tenant agrees to lease from Landlord the Leased Property.

#### **2. LICENSE TO USE COMMON AREAS.**

Landlord also grants to Tenant and Tenant's employees, servants, agents, invitees and guests a non-exclusive license to use certain common area portions of The Grove and appurtenant grounds designated by Landlord on Exhibit A (Site Plan) attached hereto; all subject to the reservation by Landlord of its right to perform its responsibilities and obligations to manage the Leased Property.

#### **3. TERM AND OPTION TO RENEW.**



3.1 Lease Term. The Lease term shall commence on date of execution of Agreement, ("Commencement Date"), but no rent payment shall be due until the date a Certificate of Occupancy is issued to Tenant by the Town of Jackson, (the "Occupancy Date"), which shall be on or before September 1, 2016; and the lease term shall expire on June 30, 2019, for a period of three (3) years. Tenant shall have the option to renew the Lease as set forth in paragraph 3.2 below.

3.2 Lease Renewal Term. Provided that Tenant is not in default of any of the terms or conditions of this Agreement, the Tenant shall have the option, but not the obligation to renew this Lease for two (2) additional terms of three (3) years each. In order to exercise the option to renew this lease Tenant shall notify the Landlord in writing of Tenant's desire to renew the Lease no less than One Hundred Twenty (120) days prior to the expiration of the then-applicable lease Term ("Tenant's Renewal Notice").

#### **4. RENT.**

4.1. Rent Amount. Tenant shall pay to Landlord, without deduction or offset, "Rent" in the following amounts for each year this Lease, beginning on the Occupancy Date of the Lease Agreement: year Years one (1) through three (3) the Rent shall be Twenty Thousand Four Hundred Forty Five Dollars and no cents (\$20,445.00.00) which is the equivalent of One Thousand Seven Hundred Three Dollars and Seventy-five Cents (\$1,703.75) per month.

Rent payments shall be made in twelve (12) equal installments in advance on the 1st day of each month commencing on the Occupancy Date; provided however that if the Occupancy Date is not on the first day of a month, then the first month's rent will be prorated based on the number of days in the first month of tenancy and paid the first day of occupancy. .

4.2 Renewal Rent Adjustment. In the event Tenant renews for an additional Lease term(s) pursuant to Section 3.2, at the beginning of each year during the first renewal term, the Rent will be adjusted up by 2.5%. At the beginning of the second renewal term, the rent will be adjusted based on a market analysis, and at the beginning of the second year and each year thereafter, the rent will be adjusted up by 2.5%.

#### **5. UTILITY CHARGES.**

5.1 Separate Utilities. Tenant shall be solely responsible for arranging or establishing any service of and/or payment of service, in Tenant's own name, such as telephone, internet, cable, satellite, and any other telecommunication utilities, in addition to water, electrical, gas, sewer, and any other utility services that Tenant desires to utilize in relation to its use of the Leased Property.

6. LATE CHARGES AND GRACE PERIOD. Tenant hereby acknowledges that late payment of any base rent payment or any other sums that Tenant may owe to Landlord under this Lease will cause Landlord to incur costs. Accordingly, if any payment due under this Lease is not received in good funds by Landlord by the fifth (5) day after such amount is then due, Tenant shall be liable for and shall promptly pay to Landlord in addition to all

sums then due a late charge equal to ten percent (10%) of the total of all unpaid amounts. Acceptance of a late charge by Landlord shall not be a waiver of Tenant's default under this Lease based on late payment of rent. In addition, if any payment due hereunder is returned by a bank, then Tenant shall pay to Landlord a returned check charge of \$50.00. Failure to pay any of the charges described, subject to the five (5) day cure period, in this Section 6 is an event of default under this Lease.

**7. SECURITY DEPOSIT.** Tenant shall deposit with Landlord on the Commencement Date of the Lease Agreement, **Three thousand, AND 00/100 DOLLARS (\$3,000.00)** cash or other immediately collectable funds as a security deposit for the purposes stated hereafter. Should Tenant fail to make any payment required by this Lease to be made to Landlord, Landlord may after any applicable cure period, at Landlord's sole discretion but without prejudice to any other rights or remedies Landlord has under this Lease, deduct from the security deposit the amount of any such unpaid sum(s). Landlord shall give Tenant reasonably prompt written notice of Landlord's deduction of any amount from the Security Deposit. Should Tenant properly exercise Tenant's right to renew the Lease, then no later than the commencement date of the renewal lease term, Tenant shall augment the existing Security Deposit by delivering to Landlord additional funds to result in Landlord having in Landlord's possession the equivalent dollar amount of the first months' base rent in accordance with whatever adjusted monthly rent amount is then in effect. Within thirty (30) banking days after the end of the lease term (including any authorized renewal term), and provided that Tenant is not then in default of any of Tenant's obligations under this Lease, Landlord shall return to Tenant the balance of the Security Deposit, less any amounts deducted by Landlord as allowed by this Section 7. If the Leased Property is sold during the term of this Lease, the Security Deposit shall be transferred to the new owner of the Leased Property

**8. USE OF PREMISES.** Tenant shall use the Leased Property as a day spa for therapeutic flotation services, along with ancillary retail product sales. Use for any other purpose shall require advance written approval of Landlord.

**9. PARKING.** Parking is shared by all Tenants of The Grove, commercial and residential, and shall not be assigned or otherwise designated to a Tenant. For the first year of this lease during the hours of 7:00 a.m. to 7:00 p.m. the parking spaces on the east side of the building as designated on Exhibit A (site plan) are accessible to employees and customers of Tenant. Before 7:00 a.m. and after 7:00 p.m. parking is not allowed in these spaces without a permit. Any vehicles parked in these spaces without a parking permit will be towed at the vehicle owner's expense. During the second year of tenancy and each year thereafter, parking to the east of the building will be accessible at all times, and a permit will not be required. No parking or storage of recreational vehicles, including but not limited to trailers, boats, snowmobiles, or other such motorized vehicles or other recreational vehicles is allowed. These types of vehicles must be parked and stored off Premises at the Tenant's sole expense. Owner shall not be liable for any damage to Tenant's vehicles, and this includes vehicles of visitors, customers, or guests.

## **10. ALTERATIONS AND IMPROVEMENTS.**

**10.1. Construction and Acceptance of Demised Premises.** The Demised Premises are raw and unfinished space. Tenant, by occupying the Demised Premises, Tenant shall be deemed to have accepted the same and to have acknowledged that the Demised Premises fully comply with Landlord's covenants and obligations hereunder subject to the rights and obligations of Tenant to install and construct Tenant Improvements as set forth in Exhibit B. Occupancy of the Demised Premises by Tenant prior to the Commencement Date shall be subject to all of the terms and provisions of this Lease, except only those requiring the payment of rent. The parties agree that improvements shall be built to the requirements of applicable building codes adopted by the applicable governing authority as of the effective date of this Lease.

**10.3.** Tenant shall make no alterations or improvements to the Leased Property without first receiving from Landlord written consent as to the nature, scope and quality of such alterations or improvements, except that the improvements shown on Exhibit B are deemed approved by Landlord.

Landlord shall reimburse Tenant for an amount not to exceed Forty-Five Thousand Dollars and no cents (\$45,000) a portion of the Tenant's construction costs, as set forth in Exhibit B, make Tenant Improvements in the Leased Premises, Unit 105, and such reimbursement and payment shall occur within sixty (60) days of receipt of proof and supporting invoices and documentation as provided by Tenant to the Landlord, regarding such expenditures by Tenant, and shall be subject to inspection of completed construction work which shall comply with Tenant Improvements as set forth in Exhibit B.

**10.4** Upon expiration or termination of this Lease, or should Tenant abandon the Leased Property prior to Lease expiration, ownership of all alterations and improvements made by Tenant to the Leased Property (hereafter "Tenant Improvements") shall automatically revert to the Owner; and Tenant shall promptly sign and deliver to Landlord any documents that Landlord, in Landlord's reasonable discretion, may require to evidence such ownership in Landlord. Notwithstanding the foregoing, if Tenant's trade fixtures that can be removed without damage to the Leased Property such fixtures shall not be considered Tenant Improvements, provided however, Tenant shall nonetheless be responsible to restore the Leased Property from any damage resulting from Tenant's removal of Tenant's trade fixtures. Any lighting components that are attached to ceilings or walls shall not be considered Tenant's trade fixtures for purposes of this paragraph.

## **11. REPAIR AND MAINTENANCE.**

**11.1. Tenant's Obligations.** Tenant shall, at its sole expense:

a. Keep all portions of the interior of the Leased Property (including light fixtures and light bulbs) and all glass windows and doors and other glazing on, in or part of the Leased Property, in at least as good order and repair as such items exist at the time of commencement of the initial Lease term, reasonable wear and tear excepted.

b. Pay for any and all fines or penalties assessed by any governmental authority if the Leased Property fails to meet codes and regulations of governmental authorities as a result of any act or omission by Tenant or Tenant's agents during the Lease term with respect to items for which Tenant is responsible.

If Tenant fails to do so, Landlord may undertake such maintenance or repair and bill Tenant for the costs, which costs shall be deemed additional rent payable within ten (10) days of Landlord mailing or otherwise delivering a bill of such costs to Tenant. Landlord shall have the same rights and remedies against Tenant for such failure as provided in this Lease for the failure of Tenant to pay rent.

**11.2 Landlord's Obligations.** Landlord shall, at its expense, pay for and assume the following items so long as damage to same was not caused by the negligence of Tenant:

a. As needed in Landlord's discretion, keep the foundation and the structural soundness of the exterior walls and roof (except store fronts, plate glass windows and doors) in good repair (ordinary wear and tear excepted) and, when necessary in Landlord's discretion, replace the roof of the Building.

b. Maintain all commonly used portions of the Building and all adjoining areas, including all sidewalks and parking lots, in a clean and orderly condition.

c. As needed in Landlord's discretion, paint or stain and otherwise maintain the exterior of the Building and keep the exterior in good repair.

d. Maintain and/or repair as necessary the underground utility lines servicing the Premises.

e. Pay any and all fines or penalties assessed by any governmental authority if the Building fails to meet codes and regulations of governmental authorities during the Lease term with respect to items for which the Landlord is responsible to maintain under this Lease.

f. In accord with the provisions of Section 21 of this Lease, make all repairs to the Leased Property when such repairs are necessitated by fire, flood, acts of God, earthquake or other natural causes, or by the acts or omission of other tenants of the Building or Landlord or Landlord's employees or agents.

**12. TENANT INDEMNIFICATION FOR CONTRACTOR LIENS.** At all times throughout the term of this Lease, Tenant and the individuals personally guaranteeing Tenant's obligations under this Lease, shall keep the Leased Property free and clear of all liens arising out of any work performed, materials furnished or obligations incurred by or at the request of Tenant, and each also agree to indemnify and save Landlord and the Leased Property harmless for all such liens or claims of lien and to promptly pay all of Landlord's attorney's fees, costs, and expenses incurred by reason thereof. In the event a Lien is filed and Tenant has a good faith defense to such Lien, so long as Tenant posts reasonable security as required by a court of competent jurisdiction, within twenty (20)

days of the filing of such Lien, the imposition of a lien shall not constitute a breach of this Lease.

**13. LANDLORD ALTERATION AND REPAIR.** Landlord may, at any reasonable time, and upon three (3) business days' advance notice to Tenant, alter, repair, or improve elements in the Leased Property which are part of Landlord's maintenance obligations or elements which serve or service more than one Suite on Landlord's property, at Landlord's sole discretion, but Landlord may not alter or remove the improvements listed in Exhibit B. For those purposes, Landlord and its representatives may enter on and about the Leased Property with such material as Landlord may deem necessary at a time other than Monday through Saturday from 8:00 am to 5:00 pm. Tenant waives any claim for damages including loss of business resulting therefrom as long as the work is done on a reasonable basis, at reasonable times and is reasonably necessary. In the exercise of its rights under this Section 12, Landlord shall not unreasonably interfere with the conduct of Tenant's business.

**14. SALE OF LEASE PROPERTY.** If the Landlord elects to sell the Leased Property to a third party during the term of this Lease, such sale will be subject to this Lease.

**15. RIGHT OF ENTRY.** Landlord or its agents shall have the right to enter the Leased Property at all reasonable times, upon reasonable notice to Tenant or Tenant's employees or agents, in order to examine the Leased Property, to show it to prospective purchasers or future lessees, or to make repairs, improvements, or additions including signs, as Landlord may deem necessary or desirable, all subject to Section 13. Any time that Tenant changes the locks on access doors to the Leased Property, Tenant shall immediately provide Landlord with a key to such locks. Reasonable attempts will be made to notify tenant of entry but if Tenant is not present to open and permit entry into the Leased Property when an entry by Landlord or Landlord's agents is necessary or permissible, Landlord or its agents may enter the Leased Property by key. Landlord shall be liable for all damage done to the Leased Property and its improvements arising out of or related to such entry allowed by this Section and/or Section 13, and Landlord shall be responsible for securing the Leased Property when it exits the same in the same fashion as when it entered the Leased Property. Should Tenant fail to provide Landlord with current keys to the locks on any access doors, or in the event of an emergency, Landlord or Landlord's agent's may forcibly enter the Leased Property without rendering Landlord or such agents liable for any damage resulting therefrom (if during such entry Landlord or his agents shall accord reasonable care to Tenant's property), and without affecting the Tenant's obligations and covenants contained in this Lease. If Tenant has not provided Landlord a key to locks on access doors, then Tenant shall pay the cost of repairs resulting from Landlord's forcible entry. Landlord agrees that so long as Tenant is not in default of any of its obligations under the Lease, it will not place "For Rent" signs on the Leased Property earlier than forty-five (45) days prior to expiration of the then-applicable Lease term described in Section 3 of the Lease.

**16. TAXES AND ASSESSMENTS.** Tenant shall be liable for and promptly pay when due all taxes and other charges levied against Tenant's personal property, trade fixtures and other property placed by Tenant in, on, or about the Leased Property. If applicable, Owner shall pay all real estate taxes, real estate assessments, and any and all other

governmental charges, assessments or taxes payable in respect to the Leased Property or any part thereof during each rent year of the term of the Lease.

## **17. INSURANCE.**

**17.1 Tenant's Insurance Obligation.** Tenant, at all times during the Term and during any early occupancy period, at Tenant's sole cost and expense, will maintain the insurance this Article describes and shall not terminate said insurance or materially amend insurance during the Term of this Lease or any subsequent Term.

**17.1.1 Liability Insurance.** Commercial general liability insurance (providing coverage at least as broad as the current ISO form) with respect to the Leased Property and Tenant's activities in the Leased Property and upon and about the Landlord's property, on an occurrence basis, with minimum limits of \$1,000,000 each occurrence and \$2,000,000 general aggregate. Such insurance must include specific coverage provisions or endorsements (a) for broad form contractual liability insurance insuring Tenant's obligations under this Lease; (b) naming Owner, Landlord and any Property Manager designated by Landlord as additional insured's by an Additional Insured – Managers or Lessors of Premises' endorsement (or equivalent coverage or endorsement); (c) waiving the insurer's subrogation rights against the Owner and Landlord and their principals, shareholders, employees, agents, insurers and attorneys (hereafter "Landlord Parties"); (d) providing Landlord with at least 30 days prior notice of modification, cancellation, non-renewal or expiration; and (e) expressly stating that Tenant's insurance will be provided on a primary non-contributory basis. If Tenant provides such liability insurance under a blanket policy, the insurance must be made specifically applicable to the Leased Property and this Lease on a per location basis.

**17.1.2 Property Insurance.** At Tenant's option, property insurance providing coverage at least as broad as the current ISO Special Form (all-risks) policy in an amount not less than the full insurable replacement cost of all of Tenant's trade fixtures and other personal property within the Leased Property and including business income insurance covering at least nine months loss of income from Tenant's business in the Leased Property. If Tenant provides such property insurance under a blanket policy, the insurance must include agreed amount, no coinsurance provisions.

**17.1.3 Other Insurance.** Such other insurance as may be required by any applicable law from time to time or that may reasonably be required by Landlord from time to time. If insurance obligations generally required of tenants in similar space in similar office buildings in the

area in which the Leased Property is located increase or otherwise change, Landlord may likewise reasonably increase or otherwise change Tenant's insurance obligations under this Lease.

**17.1.4 Miscellaneous Insurance Provisions.** All of Tenant's insurance will be written by companies rated at least Best A-VII and otherwise reasonably satisfactory to Landlord. Tenant will deliver copies of certificates of insurance as set forth below and make available for review or copying, certified copies of each policy, or other evidence of insurance satisfactory to Landlord, (a) on or before the date of commencement of the initial lease term (and prior to any earlier occupancy by Tenant), (b) not later than 30 days prior to the expiration of any current policy or certificate, and (c) at such other times as Landlord may reasonably request. Tenant will deliver an ACORD Form 27 certificate and will attach or cause to be attached to the certificate copies of the endorsements this Section 17.1 requires (including specifically, but without limitation, the additional insured endorsement). Tenant's insurance must permit releases of liability and provide for waiver of subrogation as provided in Section 17.1.5.

**17.1.5 Tenant's Waiver and Release of Claims and Subrogation.** To the extent not prohibited by law, Tenant, on behalf of Tenant and its insurers, waives, releases and discharges the Landlord Parties from all Claims arising out of personal injury or damage to or destruction of the Leased Property, Landlord's property or Tenant's trade fixtures, other personal property or business, and any loss of use or business interruption, occasioned by any fire or other casualty or occurrence whatsoever (whether similar or dissimilar), regardless whether any such Claim results from the fault of any Landlord Party or otherwise, excepting negligence. Tenant will look only to Tenant's insurance coverage (regardless whether Tenant maintains any such coverage) in the event of any such Claim unless such claim results from the acts or omissions of the Landlord. Tenant's trade fixtures, other personal property and all other property in Tenant's care, custody or control, is located at the Landlord's property at Tenant's sole risk. Landlord is not liable for any damage to such property or for any theft, misappropriation or loss of such property unless such acts or omissions are caused by Landlord Parties. Except as otherwise set forth herein. Tenant is solely responsible for providing such insurance as may be required to protect Tenant, its employees and invitees against any injury, loss, or damage to persons or property occurring in the Leased Property or at the Landlord's property, including, without limitation, any loss of business or profits from any casualty or other occurrence at the Landlord's property.



- 17.1.6 No Limitation. Landlord's establishment of minimum insurance requirements is not a representation by Landlord that such limits are sufficient and does not limit Tenant's liability under this Lease in any manner.
- 17.2 Landlord's Insurance Obligations. Landlord will (except for the optional coverages and endorsements Section 17.2.1 describes) at all times during the Term maintain the insurance this Section 17.2 describes, at Landlord's cost. Upon written request by Tenant, Landlord shall promptly deliver to Tenant a certificate of such property insurance.
- 17.2.1 Property Insurance. Property insurance on the Building in an amount not less than the full insurable replacement cost of the Building insuring against loss or damage by fire and such other risks as are covered by the current ISO Special Form policy. Landlord, at its option, may obtain such additional coverages or endorsements as Landlord deems appropriate or necessary, including, without limitation, insurance covering foundation, grading, excavation and debris removal costs; business income and rents insurance; earthquake insurance; flood insurance; and other coverages. Landlord may maintain such insurance in whole or in part under blanket policies. Such insurance will not cover or be applicable to any property of Tenant within the Leased Property or otherwise located at the Landlord's property.
- 17.2.2 Liability Insurance. Landlord will maintain liability insurance against claims for bodily injury, personal injury, and property damage occurring at the Owner's Property, in accord with governmental immunity liability limits and in such amounts as required by law, without waiving Landlord's governmental immunities as provided under Wyoming State Statutes. Unless otherwise stated herein, such liability insurance will protect only Owner and Landlord and, at Landlord's option, Owner's lender, and does not replace or supplement the liability insurance this Lease obligates Tenant to carry.
- 17.3 Indemnification. Each party to this Agreement shall assume the risk of any liability arising from its own conduct. Neither party agrees to insure, defend, or indemnify the other.
- 17.4 Tenant's Waiver. In addition to the other waivers of Tenant described in this Lease and to the extent not expressly prohibited by the Laws, Landlord and the other Landlord Parties are not liable for, and Tenant waives, any and all Claims against Landlord and the other Landlord Parties for damage to Tenant's trade fixtures, other personal property or business, and any loss of use or business interruption, resulting directly or indirectly from (a) any existing or future condition, defect, matter or thing in the Leased Property

or on the Landlord's property unless such damage was caused by some negligent act or omission of Landlord, (b) any equipment or appurtenance becoming out of repair unless the same was the responsibility of the Landlord, (c) any occurrence, act or omission of any Landlord Party, unless such act or omission of Landlord was negligent any other tenant or occupant of the Building or any other person. This section applies especially, but not exclusively, to damage caused by flooding of basements or other subsurface areas and by refrigerators, sprinkling devices, air conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors, noise or the bursting or leaking of pipes or plumbing fixtures. The waiver this section describes applies regardless whether any such damage results from an act of God, an act or omission of other tenants or occupants of the Landlord's property or an act or omission of any other person.

- 17.5** Tenant's Failure to Insure. Notwithstanding any contrary language in this Lease and any notice and cure rights this Lease provides Tenant, if Tenant fails to provide Landlord with evidence of insurance as required under Section 17.1.4, Landlord may assume that Tenant is not maintaining the insurance Section 17.1 requires Tenant to maintain and Landlord may, but is not obligated to, without further demand upon Tenant or notice to Tenant and without giving Tenant any cure right or waiving or releasing Tenant from any obligation contained in this Lease, obtain such insurance for the Landlord's benefit. In such event, Tenant will pay to Landlord, as Additional Rent, all costs and expenses Landlord incurs obtaining such insurance. Landlord's exercise of its rights under this section does not relieve Tenant from any default under this Lease.

**18. LANDLORD'S RULES.** Landlord may adopt and provide in writing to Tenant reasonable rules and regulations which in Landlord's judgment are desirable for the use, entry, operation and management of the Leased Property; provided, however, that Landlord's rules and regulations shall not contradict or abrogate any right or privilege expressly granted to Tenant in this Lease. Any such Landlord's rules and regulations, once provided in writing to Tenant, are a part of this Lease as though incorporated here. Tenant agrees to comply with Landlord's rules and regulations.

**19. SIGNS.** Any signs exhibited by Tenant on the Leased Property shall be subject to approval in advance at Landlord's reasonable discretion, and in accordance with a sign plan to be developed by Landlord and approved by the Town of Jackson. If Tenant fails to remove and dispose of any sign at the conclusion of this Lease, Landlord may remove the sign at the expense of Tenant.

**20. COVENANTS OF THE TENANT.**

**20.1.** Tenant covenants that Tenant will not do any of the following without the prior consent, in writing, of Landlord:

a. Allow anything to be done that would be objectionable to insurance companies or would cause fire or other insurance in force on the Leased Property to become void or suspended, or be rated as a more hazardous risk than at the date when Tenant receives possession hereunder. In case of a breach of this covenant, in addition to all other remedies of Landlord, Tenant shall pay to Landlord as additional rent, any increase of premiums on insurance carried by Landlord on the Leased Property caused by the Tenant.

b. Commit or allow any waste upon the Leased Property or any nuisance or other act which may disturb the quiet enjoyment of any other Tenant in the Building.

c. Discontinue operation of Tenant's business in the Leased Property, or be closed to the public for more than twenty-one (21) consecutive days without prior notice to Landlord. Should Tenant breach this covenant, the same shall be deemed an abandonment of the Leased Property by Tenant for purposes of Landlord's remedies under Section 25 of this Lease.

**20.2** Tenant agrees that Tenant will do the following:

a. Keep the Leased Property sufficiently heated to prevent freezing of water pipes and fixtures.

b. Arrange for loading and unloading of goods to be done only at such times, in the areas, and through such entrances as may be designated for such purpose by Landlord.

c. Do all things reasonably possible to prevent the filing of any mechanics liens or judgments against the Leased Property, or to the leasehold interest of Tenant, by reason of work, labor, services, or materials supplied or claimed to have been supplied to Tenant. If any such lien or judgment shall at any time be filed against Tenant's interest in the Leased Property or this Lease, Tenant shall either cause the same to be discharged of record within 20 days of the date of the filing, or if Tenant, in Tenant's discretion and good faith, determines that such lien or judgment should be contested, Tenant shall furnish such security as shall be necessary or required to prevent any foreclosure against Tenant's interest in the Leased Property during the pendency of such contest. If Tenant fails to discharge such lien or judgment within such period, or fail to furnish such security, then, in addition to any other right or remedy of Landlord resulting from such default, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien or judgment by getting security or in such other manner as is or may become prescribed by law. Nothing contained herein shall imply any consent or agreement on the part of Landlord to subject Landlord's estate to liability under any mechanics or other lien law.

d. Comply with all state and federal statutes and local ordinance or regulations and save and hold Landlord harmless from any penalties, fines, costs, expenses, or damages resulting from its failure to do so.

e. Give Landlord prompt written notice of any accident, fire or damage occurring on or to the Leased Property.

**21. COVENANTS OF THE LANDLORD.** The Landlord covenants as follows:

**21.1.** That the Tenant, upon paying the rentals and performing the covenants upon its part to be performed herein, shall peacefully and quietly have, hold and enjoy the Leased Premises during the term hereof.

**21.2.** To use commercially reasonable efforts to not allow any hazardous, noxious or other activity to occur in the Building or its adjacent sidewalks that will impair Tenant's use of the Leased Property as a day spa. If adjoining spaces are allowed to make, produce, sell or serve food and/or beverages, including alcoholic beverages, Landlord will require any such tenant to take reasonable commercial measures to reduce and minimize odors entering the Leased Property, including but not necessarily limited to ventilation and waste disposal procedures.

**21.3.** To require other Tenants, upon renewal of any existing leases, and to require any new tenants in the Building, to purchase and maintain sufficient insurance coverage and impose reasonable restrictions on such other tenants and to manage the Building and common areas adequately to reasonably protect Tenant's personal property from injury caused by other Tenants.

**22. DAMAGE TO PREMISES.**

**22.1.** If the Leased Property is damaged without the fault or neglect of Tenant or Tenant's servants, employees, agents, visitors, licensees, or sub-Tenant, and the Leased Property is not thereby rendered unusable, Landlord shall promptly, at its own expense, cause such damage to be repaired, and the rent under this Lease shall not be abated. If the Leased Property is rendered unusable only in part, Landlord shall promptly cause the damage to be repaired and the rent shall be abated proportionately to the portion of the Leased Property rendered unusable. If the Leased Property is rendered wholly unusable, the rent shall be abated in whole; provided, however, that there shall be no extension of the term of this Lease by reason of such abatement. Notwithstanding the preceding provisions, if the Leased Property is rendered wholly un-tenantable by reason of such occurrence and the property cannot be repaired within three months from the date of such damage, Tenant or Landlord shall, at their option, have the right to declare the Lease terminated and the balance of rent for the unfulfilled term null and void.

**22.2.** If any damage to the Leased Property occurs as a result of the fault or neglect of Tenant, Tenant's servants, employees, agents, business invitees, licensees or sub-Tenant, then there shall be no apportionment or abatement of rent during the term of this Lease, even if the Leased Property becomes completely unusable.

**23. PETS / NO SMOKING.** Tenant shall keep no pets, domestic animals, or any other animal on or about the leased Premises, which includes and prohibits any pets of visitors, customers, or guests, excepting service animals. No smoking shall be allowed on the Premises, which includes and prohibits smoking on Tenant's outdoor space, including sidewalks, and/or any and all common space of The Grove.

## **24. TENANT PROPERTY.**

24.1. Landlord shall not be liable for any damage or loss to property of Tenant or of others located on the Leased Property by vandalism, theft, weather, water, snow, wind, or otherwise unless Landlord breached a duty under this Lease. Landlord shall not be liable for any damage caused by other Tenant or persons in the Leased Property, or the public, or caused by operations in construction of any private or public work. Landlord shall not be liable for any latent defect in the Leased Property or the Building.

24.2. All property of Tenant kept or stored on the Leased Property shall be so kept or stored at the risk of Tenant, and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carrier, unless such damage is caused by the willful act or neglect of Landlord.

## **25. ASSIGNMENT & SUBLEASING.**

25.1 Tenant shall not assign, mortgage, hypothecate, or otherwise encumber this Lease, nor sublet or permit the Leased Property to be used by any other person, firm, corporation, or entity other than Tenant without the written consent of Landlord in each instance, which consent may be withheld in Landlord's discretion.

25.2 Should Tenant be an entity instead of a natural person, transfer of control of the entity by any method (sale of stock or membership interest, etc.), shall be deemed to be an assignment for all purposes under this Lease, unless Tenant remains a majority owner (i.e. greater than 50% control) of the assignee.

25.3 Consent by Landlord to an assignment or subletting shall not be construed to release Tenant from obtaining the consent in writing of Landlord to any further assignment or subletting.

25.4 Consent by Landlord to an assignment or sublease shall not release Tenant or personal guarantors (if any) from their obligations hereunder unless such written consent clearly and specifically states intent to do so.

25.5 Reserved

25.6 Any authorized assignee or sublessee shall agree in writing to be bound by the terms of this Lease and to abide by all applicable laws and any Rules adopted by the Landlord.

25.7 The fact that Landlord consents to any sublease shall not abrogate Tenant's responsibilities and obligations under this Lease and Tenant shall continue to be fully bound by all of the provisions of this Lease.

**25.8** Should Landlord consent to a sublease by Tenant to a third party, any sums paid to Tenant by the sublessee in excess of the rent due under this Lease shall be retained by the Tenant.

**25.9** Landlord may freely sell, convey, or assign any of Landlord's rights, duties, or obligations of this Lease without Tenant's consent, but subject to the terms and conditions of this Lease.

## **26. DEFAULT & REMEDIES.**

### **26.1 Events of Default by Tenant**

Tenant shall be in default hereunder if any one or more of the following occurs:

a. Tenant fails to pay when due any installment of rent, or any other sum of money due hereunder, and such failure shall continue for five (5) days after written notice thereof to Tenant;

b. Tenant fails to observe or perform any of the non-financial covenants, agreements, conditions or undertakings herein contained to be kept, observed and performed by Tenant (other than abandonment of the Leased Property by Tenant); and such failure shall continue for thirty (30) days after written notice thereof to Tenant;

c. Proceedings in bankruptcy or for liquidation, reorganization or rearrangement of Tenant's affairs are instituted by or against the Tenant;

d. A receiver or trustee is appointed for all or substantially all of the Tenant's business or assets;

e. A trustee is appointed for Tenant after a petition has been filed for Tenant's reorganization under the United States Bankruptcy Code, or if this Lease is rejected under § 365 of the United States Bankruptcy Code;

f. Tenant makes an assignment for the benefit of its creditors; or

g. Tenant shall abandon the Leased Property.

### **26.2 Landlord's Remedies**

In the event of any default by Tenant, Landlord, at its election, may enforce, by judicial action or otherwise, any one or combination of all remedies available at law or in equity, or without limitation of any such remedies, any one or combination of the following:

a. Landlord may terminate this Lease, re-enter all or any part of the Leased Property, either by voluntary surrender or process of law (Tenant hereby waiving any demand for possession), and remove Tenant and any persons or property from

the Leased Property. Tenant will remain liable for all rent and other sums owed to Landlord under this Lease until the Leased Property can be re-let to a new tenant of Landlord's choosing, plus all of Landlord's reasonable costs of obtaining possession of and re-letting the leased property and making any repairs and alterations necessary to prepare the Leased Property for re-letting. Nothing in this paragraph shall limit or affect Tenant's obligation to surrender possession of the Leased Property when required to do so under the terms of this Lease, or limit or affect Landlord's right to damages resulting from any failure of Tenant to do so.

b. Landlord may re-let the Leased Property or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms, which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease and may grant concessions or free rent or charge a higher rental than that in this Lease.

c. Tenant shall also pay Landlord damages for the failure of Tenant to observe and perform Tenant's covenants contained in this Lease, and shall pay any deficiency between the entire amount of rent promised to be paid by Tenant under this Lease, and the net amount, if any, of any rents collected on account of any new lease of the Leased Property for each month of the period which would otherwise have constituted the balance of the term of this Lease.

### **26.3 Landlord's Damages and Rights**

a. To the extent allowed by law, the failure of Landlord to re-let the premises or any part or parts thereof, or to collect rent shall not in and of itself release Tenant's liability for damages, or create any independent liability of Landlord to Tenant, so long as Landlord used reasonable efforts to mitigate its damages. In computing such damages there shall be added to the said deficiency such reasonable expenses as Landlord may incur in connection with re-letting such as legal expenses, reasonable attorney fees, lease brokerage commission(s), advertising and for keeping the Leased Property in good order or for preparing the same for re-letting. Any such damages shall be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding.

b. Landlord, in putting the Leased Property in good order or preparing the same for re-rental may, at Landlord's option, make such reasonable alterations, repairs, replacements, and/or decorations in the Leased Property as are reasonably necessary for the purpose of re-letting the leased premises, and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid.

c. Reserved



d. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for.

e. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy, in law or in equity.

f. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Leased Property, by reason of the violation by Tenant of any of the covenants and conditions of this lease, or otherwise.

**26.4 Interest.** All arrearages in the payment of any sums due under this Lease shall bear interest at eighteen (18%) percent per annum, from the date first due until paid.

**26.5. No Set-off.** Tenant may not withhold, escrow, or set off against rent or other sums due any claims that Tenant has or thinks it has against Landlord.

**26.6 Default Period.** All default and grace periods shall be deemed to run concurrently and not consecutively.

**26.7 Cumulative Remedies.** During the continuance of this Lease, Landlord and Tenant shall have all rights and remedies, which this Lease and the laws of the State of Wyoming accrue to them. All rights and remedies accruing to Landlord or Tenant shall be cumulative; that is, Landlord or Tenant may pursue any and/or all rights that the law and this Lease afford to them, in whatever order Landlord or Tenant desires and the law permits without being compelled to resort to any one remedy in advance of any other.

## **27. ATTORNEY'S FEES.**

**27.1** If any person not a party to this Lease institutes an action against Tenant in which Landlord or Owner, or both, involuntarily and without cause are made parties, Tenant and the individuals guaranteeing Tenant's payment obligations under this Lease shall promptly indemnify and save Landlord and Owner harmless from all liabilities by reason thereof, including paying for all reasonable costs and attorney's fees incurred by Landlord and Owner in such action.

**27.2** If either party or their successors or assigns is required to secure the services of counsel for the purposes of enforcing any of the provisions of this Lease, then in that instance the prevailing party, whether by settlement or litigation, shall be entitled to collect, jointly or severally from any signatory or guarantor under this Lease, all of the prevailing party's reasonable expenses incurred in conjunction with such legal consultation or proceeding, including reasonable attorney's fees and disbursements, court costs, and expenses incurred by the prevailing party in conjunction with such matters.

**28. HOLDING OVER.** If Tenant holds possession after the expiration of the Lease term with the written consent of Landlord, Tenant shall become a Tenant on a month-to-month basis upon all the terms, covenants and conditions of this Lease; provided, this shall not be construed to imply advance consent of Landlord to Tenant remaining in possession. If Tenant holds over without written permission of Landlord, Tenant becomes a Tenant at sufferance upon all the terms, conditions, and covenants of this Lease provided, however, the base rent shall double during such holdover. Tenant's obligation to pay rent shall continue until the last day of the calendar month following the month in which Tenant gives written notice of termination and intent to vacate or Landlord gives such written notice to Tenant.

**29. SUBORDINATION.** This Lease is subject and subordinate to any lien of mortgage now or hereafter placed on the Leased Property, on the condition that any lender secured by a mortgage or other security instrument agree not to disturb Tenant's occupancy pursuant to this Lease so long as Tenant has not breached its obligations under this Lease. Tenant will execute and deliver any instrument, which may be reasonably required by Landlord in confirmation of such subordination promptly upon Landlord's request.

**30. NOTICE.** All notices to be given by either party hereto to the other shall be deemed to have been fully given when hand delivered, or within three (3) business days of being sent by certified or registered United States Mail, postage prepaid or by commercial delivery such as UPS or FedEx, and addressed to:

To Landlord:           Teton County Housing Authority  
                              P.O. Box 714  
                              Jackson, WY 83001

To Tenant:             Healing Waters Therapeutic Float Center, LLC.  
                              Gina Hoogendoorn, Manager  
                              357 Daytona Drive  
                              Rock Springs, WY 82901

Notice may also be provided at such other place as may be designated by either party from time to time in writing, in the same manner as provided herein; provided, however, hand delivery to the Tenant or Guarantors (if any) shall also be valid notice under this Lease.

**31. WAIVER.**

**31.1** None of the terms, covenants or conditions of this Lease can be waived by either Landlord or Tenant or the individuals guaranteeing Tenant's payment obligations under this Lease, if any except by appropriate written agreement duly executed by all of the said parties.

**31.2** The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition.

**31.3** The subsequent acceptance of rent shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted.

**32. CONSTRUCTION OF LEASE.**

**32.1** The language of this Lease shall be construed under Wyoming law as a whole as though written by both Landlord and Tenant according to its fair meaning and not strictly for nor against either Landlord or Tenant.

**32.2** In the event there is more than one Tenant or guarantor, the obligations to be performed shall be joint and several and Landlord may seek enforcement against any obligor or guarantor.

**32.3** Landlord and Tenant agree that in the event any term, covenant, or condition herein contained is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, or conditions shall in no way affect any other term, covenant, or condition herein contained.

**33. BINDING EFFECT.** All the terms, covenants, and conditions of this Lease are binding upon and inure to the benefit of the parties signing below, their respective heirs, executors, administrators, successors, assigns and legal representatives.

**34. INTEGRATION CLAUSE.** It is mutually agreed that no representations, warranties, covenants or agreements, expressed or implied, have been made, other than as expressly set forth in writing in this Lease.

**35. VENUE.** Landlord, Tenant, and the individuals guaranteeing Tenant's payment obligations under this Lease, if any agree that the State Courts of Wyoming shall have personal jurisdiction over all of them and that the venue of any action filed relating to this Lease shall be in the Ninth Judicial District, District Court, located in Teton County, Wyoming.

**36. ESTOPPEL CERTIFICATE.** Tenant shall at any time upon not less than fifteen (15) days prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification), the amount of any security deposit, and the date to which the rent and other charges are paid in advance, and acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such default if any. Any such statement may be conclusively relied upon by any prospective purchaser of or lender with respect to the premises. Failure to provide such certificate shall constitute a material breach of this Lease.

**37. TIME OF ESSENCE.** Time is of the essence for this Lease and for every term, covenant and condition hereof.

IN WITNESS WHEREOF, the parties hereto have signed this Lease effective as of the day and year set forth below with their signatures.

This is an important legal document. By your signature(s) you acknowledge that you have read it carefully and accept each and every provision of the Agreement.

**OWNER/LANDLORD: TETON COUNTY HOUSING AUTHORITY**

By: Richard D. Stout Date: 4.25.16  
Richard D. Stout, Chairman

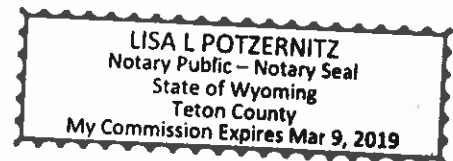
STATE OF WYOMING     )  
                                          ) ss.  
COUNTY OF TETON     )

On the 25<sup>th</sup> day of April, 20 16, the foregoing Lease was acknowledged before me by Richard D. Stout, Chairman of the Teton County Housing Authority.

Witness my hand and official seal.

Lisa L. Potzernitz  
Notary Public

(Seal)



**TENANT: HEALING WATERS THERAPEUTIC FLOAT CENTER, LLC**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Gina Hoogendoorn, Manager

By: \_\_\_\_\_ Date: \_\_\_\_\_

STATE OF WYOMING     )  
                                          ) ss.  
COUNTY OF TETON     )

IN WITNESS WHEREOF, the parties hereto have signed this Lease effective as of the day and year set forth below with their signatures.

This is an important legal document. By your signature(s) you acknowledge that you have read it carefully and accept each and every provision of the Agreement.

**OWNER/LANDLORD: TETON COUNTY HOUSING AUTHORITY**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Richard D. Stout, Chairman

STATE OF WYOMING     )  
                                      ) ss.  
COUNTY OF TETON     )

On the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, the foregoing Lease was acknowledged before me by Richard D. Stout, Chairman of the Teton County Housing Authority.

Witness my hand and official seal.

(Seal)

\_\_\_\_\_  
Notary Public

**TENANT: HEALING WATERS THERAPEUTIC FLOAT CENTER, LLC**


By: Gina Hoogendoorn Date: 4/5/16  
Gina Hoogendoorn, Manager

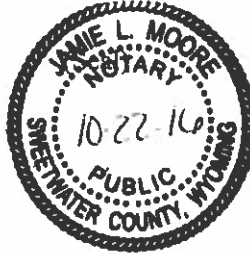
By: [Signature] Date: 4-27-16

STATE OF WYOMING     )  
                                      ) ss.  
COUNTY OF TETON     )

On the 27 day of April, 20 16, the foregoing Lease was acknowledged before me by Gina Hoogendoorn, Manager of Healing Waters Therapeutic Float Center, LLC..

Witness my hand and official seal.

  
\_\_\_\_\_  
Notary Public



AFFIRMED:

By:  Date 4-28-16  
Stacy A. Stoker, TCHA Executive Director

### **PERSONAL GUARANTY**

The person(s) signing below (hereafter "Guarantor", whether one or more persons) intend to be legally bound by all of the financial obligations of the named "Tenant" in the Lease to which this Personal Guaranty is attached ("the Lease").

Each Guarantor hereby individually, personally, jointly and severally, absolutely and unequivocally guarantees to Landlord the prompt payment of any and all of payments required to be made or due under the Lease by Tenant when due, including but not limited to any and all of Landlord's costs of enforcement of the Lease (including attorney's fees).

Each Guarantor expressly agrees that:

1. Landlord would not accept and execute the Lease without the Guarantors' personal guaranty, and the existence of this personal guaranty is a material consideration for Landlord entering into the Lease.

2. Landlord may proceed against any Guarantor to enforce this personal guaranty after first proceeding against the Tenant.

3. Any renewals, extensions of time and other non-financial modifications of the Lease shall be binding on each Guarantor.

4. This personal guaranty will be enforceable even if the Tenant or any sub-tenant goes out of business or into bankruptcy or otherwise cannot or does not pay.

5. This personal guaranty cannot be revoked, cancelled, or amended except in a writing signed by Landlord.

6. Any settlement entered into by Landlord of a dispute caused by or arising out of the Tenant's conduct will be binding upon Guarantor.

Guarantor(s):



By: Gina Hoogendoorn  
Gina Hoogendoorn

Date: 4/27/16

STATE OF WYOMING     )  
                                      ) ss.  
COUNTY OF TETON     )

On the 27 day of April, 20 16, the foregoing Personal Guarantee was acknowledged before me by Gina Hoogendoorn, in her individual capacity.

Witness my hand and official seal.

[Signature]  
Notary Public

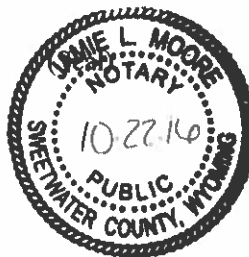
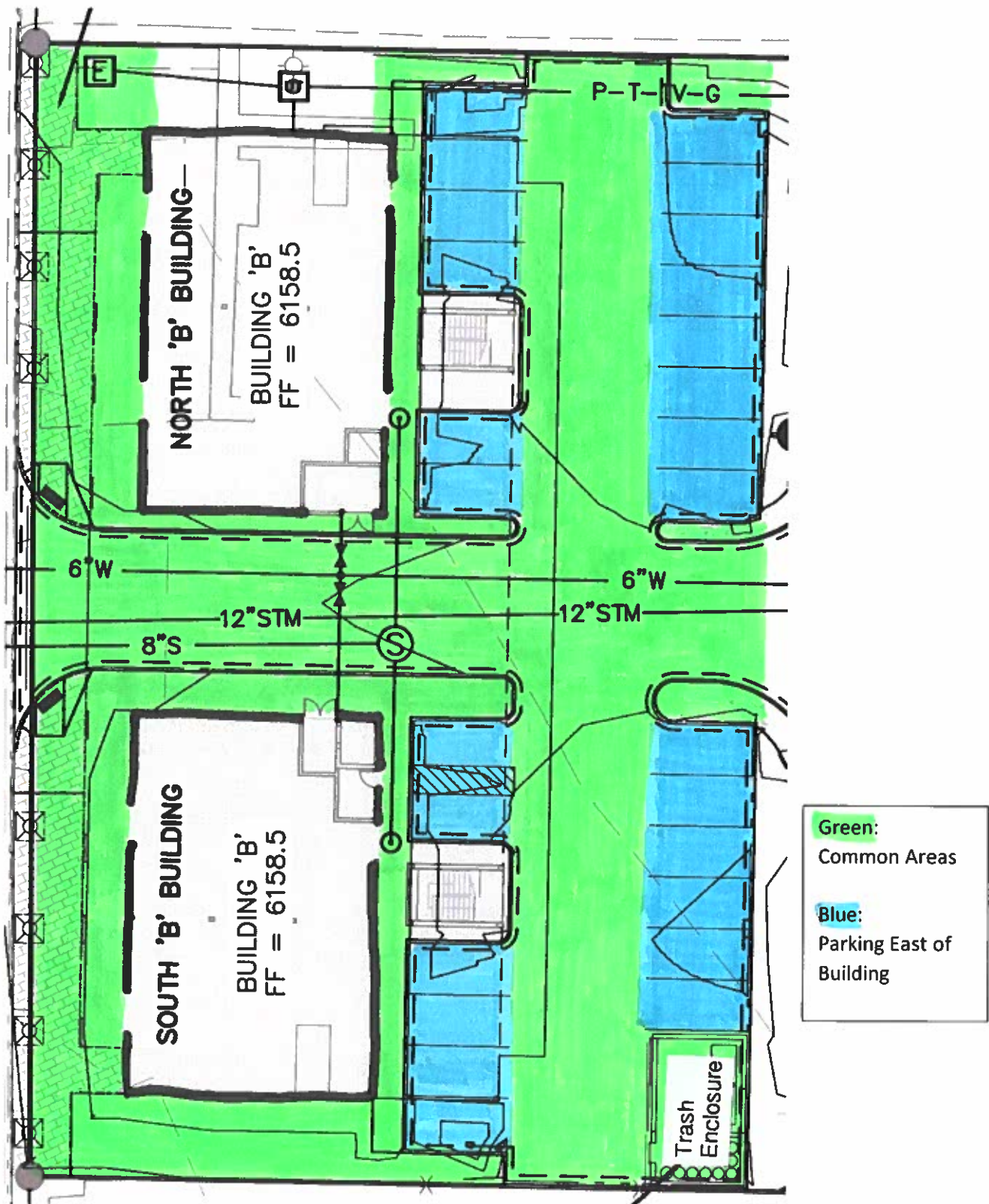


EXHIBIT A – SITE PLAN



REGINA HOOGENDOORN  
BRYAN J HOOGENDOORN  
357 DAYTONA DR  
ROCK SPRINGS, WY 82901

2661  
99-0015/1070

4/16/16  
DATE

PAY TO THE  
ORDER OF

Teton County Housing Authority \$ 3,000.00  
three thousand dollars & 00/100

DOLLARS



BANK OF THE WEST

Rock Springs Office  
200 NORTH CENTER ST  
ROCK SPRINGS, WY 82901  
1-800-468-2265

FOR

deposit for Grove

Regina Hoogendoorn

⑆ 107000152⑆ 823009451⑆ 02661

Calvin Clarke

**FIRST AMENDMENT TO**  
**THE COMMERCIAL LEASE AGREEMENT FOR THE GROVE WITH HEALING WATERS**  
**THERAPEUTIC FLOAT CENTER, LLC.**

This First Amendment to the Commercial Lease Agreement for the Grove (the "Amendment") is hereby entered into to be effective on this \_\_\_ day of \_\_\_\_\_, 2017, (the "Effective Date") by and between Jackson/Teton County Housing Authority Board, P.O. Box 714, Jackson, WY 83001, a duly constituted Housing Authority established pursuant to Wyoming Statute § 15-10-116, (hereinafter referred to as "JTCHA" and/or "Owner") and Healing Waters Therapeutic Float Center, LLC, a Wyoming limited liability company, 357 Daytona Drive, Rock Springs, WY 82901, (hereinafter referred to as the "Tenant")

**RECITALS**

A. WHEREAS, Owner and Tenant entered into that certain Lease Agreement, dated April 27, 2016 (the "Lease Agreement") for the use of the premises situated at The Grove, Unit 105, together with all appurtenances (the "Premises") for a term of lease which began on August 18, 2016; and

B. WHEREAS, Owner and Tenant desire to clarify and set forth this Amendment to the Lease Agreement with respect to the utility payments as further provided for herein.

**AGREEMENT**

NOW THEREFORE, in consideration of the aforementioned recitals, which are incorporated herein by this reference, and the mutual promises contained herein and other good and adequate consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner and Tenant agree as follows:

1. Amendment to Paragraph 5. Paragraph 5 of the Lease Agreement shall be replaced and is hereby amended as follows:

**5. Utility Charges :** Tenant shall be solely responsible for payment of service, in Tenant's own name for any utilities including but not limited to telephone, internet, cable, satellite, and any other telecommunication utilities.

**5.1 Electricity:** Electric is tracked by one meter for units 101, 105, and 110, and read by the electric company (currently Lower Valley Energy), and owner is billed monthly. Units 101, 105, and 110 each have their own submeters that track individual unit usage. The submeters shall be read by owner or owner's agent monthly. The Lower Valley Energy electric bill will be divided between units 101, 105, and 110 according to the usage determined by the submeters. Tenant will be billed monthly by owner or owner's agent for their portion of the use. A photograph of the submeter reading will be included with the bill each month.**5.2 Water :** Water usage is tracked by one meter for the entire premises. The meter is read monthly and the owner is billed by the Town of Jackson. This bill will be divided equally among all twenty-four (24) units in

**APPROVAL AND EXECUTION**

IN WITNESS WHEREOF, the parties have executed this Amendment to the Lease Agreement as being effective on the Effective Date written above.

**OWNER:**

**JACKSON/TETON COUNTY HOUSING AUTHORITY**

\_\_\_\_\_  
Matthew Faupel, Board Chair

Attest:

\_\_\_\_\_  
Danielle Goldyn Haigh, Board Clerk

**TENANT(S):**

**HEALING WATERS THERAPEUTIC FLOAT CENTER, LLC**

  
\_\_\_\_\_  
Gina Hoogendoorn, Manager

  
\_\_\_\_\_  
Brian Hoogendoorn

memo

**Jackson/Teton County Affordable Housing Department**

To: Stewart Johnson  
From: Stacy Stoker  
CC:  
Date: 10/5/2016  
Re: Transfer of funds to Teton County for Administration  
As approved in the FY16/17 Budget




The lease for 250 Scott Lane Unit #105 requires the Housing Authority to reimburse Healing Waters Therapeutic Float Center, LLC "for an amount not to exceed \$45,000 a portion of the tenant's construction costs." Healing Waters, LLC has submitted the following documentation verifying the work that has been done to the tenant improvements as well as the payments that have been made by Healing Waters, LLC to the contractor for the work (see attached):

- Contractor's Pay Application
- Copies of cashiers checks
- Photos of building inspector's sign-off on work completed

I have also personally inspected the space, and can confirm that the work has been completed and is close to being entirely complete.

Please issue a check to Healing Waters, LLC in the amount of \$45,000.00. Since this is part of the development of the building, please issue the check out of the Jackson/Teton County Housing Authority account.

Thank you,

  
Stacy A. Stoker

Healine Waters  
250 Scott Lane, Grove Unit 2  
JACKSON, WYOMING

Healing Waters 250 Scott Lane, Grove Unit 2 JACKSON, WYOMING																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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**We appreciate your business!**

**PURCHASER'S RECORD - CASHIER'S CHECK**

**1002198472**

  
**BANK OF THE WEST**  
1-800-486-2265

90-78/1211  
00808

PURCHASER REGINALD HOOGENDOORN

DATE 07/28/2016

PAY TO THE  
ORDER OF KM CONSTRUCTION

**\$17,760.00**

Seventeen Thousand Seven Hundred Sixty and 00/100ths Dollars

Fee - \$10.00

Memo - startup cost

**CASHIER'S CHECK**

**NON - NEGOTIABLE**

**We appreciate your business!**



**PURCHASER'S RECORD - CASHIER'S CHECK**

**1002235195**

BNP PARIBAS GROUP  
1-800-488-2265

90-78/1211  
00822

PURCHASER MARY HERREN

DATE 09/13/2016

PAY TO THE  
ORDER OF K M CONSTRUCTION

\$80,666.00

Eighty Thousand Six Hundred Sixty-Six and 00/100ths Dollars

Fee - \$0.00

Memo\_billed out cost

**CASHIER'S CHECK**

**NON - NEGOTIABLE**

# TOWN OF JACKSON

Call Mike



JACKSON HOLE FIRE/EMS  
JACKSON HOLE, WYOMING

Thurs P M

## REQUEST FOR FIRE / ELECTRICAL INSPECTION

Date \_\_\_\_\_

Inspection Date 9/15/16

Time Received \_\_\_\_\_ ☐ A.M. ☐ P.M.

Time To Inspect 1100 ☒ A.M. ☐ P.M.

Phone Number \_\_\_\_\_

Electrical Permit # 16 0443

Job Address healing water  
260 Scott

Building Permit # 16 0270

Contractor Art + 690 1400

Owner's Name \_\_\_\_\_

Service 6' from shower

Grounding \_\_\_\_\_

☒ Rough Wiring 0.5' from tub

Finish Wiring \_\_\_\_\_

Low Voltage \_\_\_\_\_

Other \_\_\_\_\_

walls OK  
to cover

Inspected By

M. Brown

# TOWN OF JACKSON

BUILDING INSPECTION 24 HOUR NOTICE REQUIRED PHONE 733-0520 EXT. 1351

Location 250 Scott Lane Building Permit No. PXL 0370

Description of Work New Tenant fitout Building Type \_\_\_\_\_

Occupancy Class \_\_\_\_\_ Date of Permit \_\_\_\_\_

Owner Letonco Heating waters Contractor Km Construction

THIS CARD MUST BE DISPLAYED IN A CONSPICUOUS PLACE ON THE PREMISES UNTIL THE CONSTRUCTION IS COMPLETED.

## Building Department Inspection Record

INSPECTION	DATE	INSPECTOR	COMMENTS
FOOTING			
FOUNDATION			
DO NOT POUR CONCRETE UNTIL THE ABOVE HAS BEEN SIGNED			
CONCRETE SLAB FLOOR			
ELECTRICAL GROUNDWORK			
UNDERSLAB PLUMBING	8/8/16	BN	
RADON			8/11/16 BN Floor HL
DO NOT POUR FLOOR UNTIL ABOVE HAS BEEN SIGNED			
FLOOR FRAMING			
SHEER WALL / ROOF FRAME			
ROUGH PLUMBING			
ROUGH MECHANICAL			
ROUGH ELECTRICAL			
ROUGH GAS PIPING			
FRAMING			
INSULATION			
COVER NO WORK UNTIL ABOVE HAS BEEN SIGNED			
DRYWALL			
FINAL PIPING/GAS PRESSURE TEST			
FINAL ELECTRICAL			
FINAL PLUMBING			
FINAL MECHANICAL			
FINAL BUILDING			
FINAL ENGINEERING			
FINAL PLANNING			
FINAL FIRE			

The General Contractor shall call for all Final Inspections and shall prohibit occupancy until all inspections have been made.

FIRST INTERSTATE BANK

11089

**TETON CTY HOUSING AUTHORITY**

P.O. BOX 714  
JACKSON, WY 83001-0714  
307-732-0867

99-12-1023

10/5/16

Pay to the  
Order of

HEALING WATERS, LLC

\$45,000 .00

Forty-Five Thousand and 00/100\*\*\*\*\*DOLLARS

HEALING WATERS, LLC

*Tracy L. Stoker*  
*1 April 2017*

1005 PMT

⑈011089⑈ ⑆102300129⑆4710053416⑈

TETON CTY HOUSING AUTHORITY

11089

HEALING WATERS, LLC

10/5/16

45,000.00

FIB - Administrative 1005 PMT

45,000.00

**SECOND AMENDMENT TO**  
**THE COMMERCIAL LEASE AGREEMENT FOR THE GROVE WITH HEALING WATERS THERAPEUTIC FLOAT**  
**CENTER, LLC.**

This Second Amendment to the Commercial Lease Agreement for the Grove (the "Amendment") is hereby entered into to be effective on this 21 day of December 2018, (the "Effective Date") by and between Jackson/Teton County Housing Authority Board, P.O. Box 714, Jackson, WY 83001, a duly constituted Housing Authority established pursuant to Wyoming Statute § 15-10-116, (hereinafter referred to as "JTCHA" and/or "Owner") and Healing Waters Therapeutic Float Center, LLC, a Wyoming limited liability company, 357 Daytona Drive, Rock Springs, WY 82901, (hereinafter referred to as the "Tenant")

**RECITALS**

A. WHEREAS, Owner and Tenant entered into that certain Lease Agreement, dated April 27, 2016 (the "Lease Agreement") for the use of the premises situated at The Grove, Unit 105, together with all appurtenances (the "Premises") for a term of lease which began on August 18, 2016; and

B. WHEREAS, the Owner and Tenant entered into a First Amendment to the Lease Agreement in July 2017 to clarify utility payments.

B. WHEREAS, even though the Owner and Tenant entered into an Amendment in July 2017 to clarify the utility payments, issues have continued in regards to the utility payments, thus the parties have decided that the best course of action is to increase the rent paid by the tenant and have the owner pay the utility bills. The Owner and Tenant desire to clarify and set forth this Second Amendment to the Lease Agreement with respect to the electric and the water/sewer utility payments as further provided for herein.

**AGREEMENT**

NOW THEREFORE, in consideration of the aforementioned recitals, which are incorporated herein by this reference, and the mutual promises contained herein and other good and adequate consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner and Tenant agree as follows:

1. Amendment to Paragraph 5. The First Amendment to the Lease dated July 2017 is hereby voided. Paragraph 5 of the Lease Agreement shall be replaced and is hereby amended as follows:

**5. Utility Charges :** Tenant shall be solely responsible for arranging or establishing any service of and/or payment of service, in Tenant's own name for utilities including but not limited to telephone, internet, cable, satellite, and any other telecommunication utilities. The Owner shall be responsible for the electrical and water/sewer bill, which shall be reflected in an increase in rent to cover the cost of the electric bill and the water/sewer bill. \$304.00 shall be added to each month's rental amount stated in Paragraph 4. The set amount of \$290.00 for the electrical bill will be adjusted on an annual basis to take effect with the July rent each year. The adjustment to the set amount of \$290.00 for the electric bill will be done by the taking the average of the electrical usage by the Tenant and then multiplying that percentage of usage against the average of the total electrical bill for the commercial units for the past year prior to the annual adjustment. The months used in computing the average usage and the average total electrical bill for the commercial units shall be June through May. The set amount of \$14.00 for the



water/sewer bill will be adjusted on an annual basis to take effect with the July rent each year. The adjustment to the set amount of \$14.00 for the water/sewer bill will be done by the taking the total water/sewer bill from the Town of Jackson for all twenty four (24) units in the building and the tenant shall be responsible for 4.2% of that total bill which will then be divided by 12 to arrive at a monthly flat fee for the upcoming year. The months used in computing usage of the sewer/water shall be June through May

2. Except as expressly amended by this Amendment, all terms and conditions of the Lease Agreement dated April 27, 2016, which are not in conflict with the terms of this Amendment shall remain in full force and effect.

**APPROVAL AND EXECUTION**

IN WITNESS WHEREOF, the parties have executed this Amendment to the Lease Agreement as being effective on the Effective Date written above.

**OWNER:**

**JACKSON/TETON COUNTY HOUSING AUTHORITY**

\_\_\_\_\_  
Matthew Faupel, Board Chair


Attest:

\_\_\_\_\_  
Danielle Goldyn Haigh, Board Clerk

**TENANT(S):**

**HEALING WATERS THERAPEUTIC FLOAT CENTER, LLC**

  
\_\_\_\_\_  
Gina Hoogendoorn, Manager

  
\_\_\_\_\_  
Brian Hoogendoorn

# Statement

Mountain Property Management  
PO Box 2228  
Jackson, WY 83001  
307-733-1684  
fax: 307-739-1686

Statement Period	Statement Date
9/7/2018 - 12/7/2018	12/7/2018

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Healing Waters Therapeutic Float Center, LLC  
357 Daytona Drive  
Rock Springs, WY 82901

Previous Balance	Balance Due
\$0.00	\$195.41



Account number 00335342  
The Grove Phase 1 - #105 - 1

Date	Memo	Increase	Decrease	Balance
9/20/2018	Charge -previous electric & water charges, payable over 3 months	\$862.33		\$862.33
10/1/2018	Monthly Rent Charge	\$1,703.75		\$2,566.08
10/1/2018	Monthly Flat Rate Electric	\$290.00		\$2,856.08
10/1/2018	Charge - Sep water & sewer percentage	\$30.06		\$2,886.14
10/8/2018	waive monthly flat electric		\$290.00	\$2,596.14
10/8/2018	Charge - Sep electric percentage	\$297.89		\$2,894.03
10/8/2018	Oct rent and flat \$290 utility payment (Check #99001)		\$1,993.75	\$900.28
10/8/2018	balance forward/past utility charges payment (Check #99002)		\$662.33	\$237.95
10/9/2018	reflect \$200 utility payment received by JTCHA		\$200.00	\$37.95
11/1/2018	Monthly Rent Charge	\$1,703.75		\$1,741.70
11/5/2018	Charge - Oct water & sewer - 4.2%	\$13.18		\$1,754.88
11/5/2018	Charge - Oct electric - 9/24-10/25	\$341.73		\$2,096.61
11/10/2018	Payment by Healing Waters Therapeutic Float Center, LLC		\$1,703.75	\$392.86
11/10/2018	Payment by Healing Waters Therapeutic Float Center, LLC		\$290.00	\$102.86
11/10/2018	Payment by Healing Waters Therapeutic Float Center, LLC		\$13.18	\$89.68
12/1/2018	Monthly Rent Charge	\$1,703.75		\$1,793.43
12/5/2018	Charge - Nov water & sewer - 4.2%	\$9.50		\$1,802.93
12/5/2018	Charge - Nov electric - 10/25-11/26	\$395.73		\$2,198.66
12/6/2018	Payment by Healing Waters Therapeutic Float Center, LLC		\$1,703.75	\$494.91
12/6/2018	Payment by Healing Waters Therapeutic Float Center, LLC		\$9.50	\$485.41



# Statement

Mountain Property Management  
PO Box 2228  
Jackson, WY 83001  
307-733-1684  
fax: 307-739-1686

Statement Period	Statement Date
9/7/2018 - 12/7/2018	12/7/2018

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Date	Memo	Increase	Decrease	Balance
12/6/2018	Payment by Healing Waters Therapeutic Float Center, LLC		\$290.00	\$195.41